

California-Oregon Power Co., said sale having been made in the year 1923; to the Committee on Irrigation and Reclamation.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

723. By Mr. BLOOM: Petition of Hawaii Education Association, indorsing the new education bill; to the Committee on Education.

724. Also, petition of the New York State Fish and Forest League, concerning House bill 7479; to the Committee on Agriculture.

725. By Mr. O'CONNELL of New York: Petition of Miss Elizabeth E. Denning, R. N., attached to the William McKinley Camp, No. 23, United Spanish War Veterans, Long Beach, Calif., favoring the passage of House bill 98; to the Committee on Pensions.

726. Also, petition of the Brooklyn Bar Association, of Brooklyn, N. Y., favoring the passage of House bill 7907, to increase the salaries of Federal judges; to the Committee on the Judiciary.

727. By Mr. TILSON: Petition of Mr. Austin F. Hawes, State forester of the State of Connecticut, relative to the Stanfield grazing bill (S. 2584); to the Committee on Agriculture.

#### SENATE

THURSDAY, February 18, 1926

Rev. Wallace Radcliffe, D. D., of the city of Washington, offered the following prayer:

O God, praise waiteth for Thee, for Thou art good and Thy mercy endureth forever. We thank Thee for the light, for night and day, for strength, for food, for home, for raiment, and all Thou givest us day by day in the things that perish. For duties and opportunities day by day, and especially for that gift of salvation through Thy Son Jesus Christ, our Savior.

Help us as we accept Thy gifts in Thy fear and to use this world as not abusing it. Teach us by the ministry of Thy grace that to us may come the forgiveness of sin, the resurrection of the body, and the life everlasting. Sanctify unto us the duties and opportunities of this day. By Thy Spirit help us to work whilst it is called to-day. Keep us from idleness, from sloth, from the misuse of the talents Thou hast given us, and in all things to work and to live for Him who died and rose again, our Master and in the end our Judge.

Hear us in our prayer one for another. Bless the Senate of the United States. Care for any that are sick or burdened in any way in body, in mind, or in estate. Care for our near ones at a distance from us, and by Thy kindly providence protect them and by Thy grace sustain them in every time of need. In this hour preside Thou over all things. Bless Thy servant the President of the Senate and all in affiliated authority, that they may have guidance, and wisdom, and patience, and courage from Thee. Bless these pages and grant them intelligence and industry and faithfulness, that being faithful in few things they may become faithful in many things, and trained to good citizenship, and to the fear of Him who is God and Father over all.

To-day grant Thy loving providence; bless all legislation. Let Thy servants have the presence and the power of Thy Spirit in brotherhood, in harmony, that their acts may be for justice and equity and truth, and the honor of the Nation and the prosperity of the people. Abide with the Nation. Be Thou to us day by day a pillar of cloud and fire that peace and prosperity may abide. To the honor of Thy name, through Jesus Christ our Lord. Amen.

The Chief Clerk proceeded to read the Journal of yesterday's proceedings when, on request of Mr. CURTIS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Farrell, its enrolling clerk, announced that the House had passed the following joint and concurrent resolutions, in which it requested the concurrence of the Senate:

A joint resolution (H. J. Res. 153) providing for the participation of the United States in the sesquicentennial celebration in the city of Philadelphia, Pa., and authorizing an appropriation therefor, and for other purposes; and

A concurrent resolution (H. Con. Res. 11) to tender the thanks and appreciation of the Congress of the United States for heroic service rendered by the officers and crews of the steamships *President Roosevelt*, *President Harding*, *American Trader*, *Republic*, and *Cameronia*.

#### ENROLLED BILLS SIGNED

The message also announced that the Speaker of the House had affixed his signature to the following enrolled bills, and they were thereupon signed by the Vice President:

H. R. 172. An act to extend the time for the construction of a bridge across the Mississippi River at or near the village of Clearwater, Minn.;

H. R. 173. An act to extend the time for the construction of a bridge across the Rainy River between the village of Spooner, Minn., and Rainy River, Ontario;

H. R. 3852. An act to authorize the construction of a bridge over the Columbia River at a point within 2 miles downstream from the town of Brewster, Okanogan County, State of Washington;

H. R. 4440. An act granting the consent of Congress to the board of supervisors of Clarke County, Miss., to construct a bridge across the Chunky River, in the State of Mississippi;

H. R. 4441. An act granting the consent of Congress to the board of supervisors of Neshoba County, Miss., to construct a bridge across the Pearl River in the State of Mississippi;

H. R. 5027. An act authorizing the construction of a bridge across the Ohio River between the municipalities of Rochester and Monaca, Beaver County, Pa.; and

H. R. 5565. An act granting the consent of Congress to the Civic Club of Grafton, N. Dak., to construct a bridge across the Red River of the North.

#### LEASES GRANTED BY THE SECRETARY OF WAR

The VICE PRESIDENT laid before the Senate a communication from the Secretary of War, transmitting, in compliance with law, a list of leases granted by the War Department under authority of law during the calendar year 1925, which, with the accompanying paper, was referred to the Committee on Military Affairs.

#### PETITION

Mr. ROBINSON of Arkansas presented a letter in the nature of a petition from M. W. Fitz, president of the Farmers Savings Bank at Manson, Iowa, favoring the passage of the bill (S. 1141) to establish the Mena National Park in the State of Arkansas, which was referred to the Committee on Public Lands and Surveys.

#### REPORT OF THE COMMERCE COMMITTEE

Mr. BINGHAM, from the Committee on Commerce, to which was referred the bill (H. R. 5013) extending the time for the construction of the bridge across the Mississippi River in Ramsey and Hennepin Counties, Minn., by the Chicago, Milwaukee & St. Paul Railway, reported it without amendment and submitted a report (No. 193) thereon.

#### RETURN OF MINUTE BOOK TO SAVANNAH (GA.) MASONIC LODGE

Mr. FESS. From the Committee on the Library, I report back favorably without amendment the joint resolution (S. J. Res. 58) authorizing the Librarian of Congress to return to Solomon's Lodge, No. 1, Ancient Free and Accepted Masons, of Savannah, Ga., the minute book of the Savannah (Ga.) Masonic Lodge.

Mr. GEORGE. I ask unanimous consent for the immediate consideration of the joint resolution.

There being no objection, the joint resolution was considered as in Committee of the Whole and it was read, as follows:

*Resolved, etc.,* That the Librarian of Congress is hereby authorized to return to Solomon's Lodge, No. 1, Ancient Free and Accepted Masons, of Savannah, Ga., the original manuscript of the record of the proceedings of said lodge, which is contained in one bound volume, duodecimo, now in the Manuscript Division of the Library of Congress, marked "Savannah Masonic Lodge, 1757," the said manuscript having been identified as originally the property of the said lodge.

The joint resolution was reported to the Senate without amendment, ordered to be engrossed for a third reading, read the third time, and passed.

#### REPORT OF EXECUTIVE NOMINATION

Mr. BORAH. Mr. President, as in executive session, I ask leave to submit a report from the Committee on Foreign Relations.

The VICE PRESIDENT. Without objection, the report will be received and placed on the Executive Calendar.

## BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. GOFF:

A bill (S. 3183) to provide relief for the victims of the airplane accident at Langin Field, Moundsville, W. Va.; to the Committee on Claims.

By Mr. JONES of Washington:

A bill (S. 3184) to authorize the Secretary of Commerce to dispose of certain lighthouse reservations, and to increase the efficiency of the Lighthouse Service, and for other purposes; to the Committee on Commerce.

A bill (S. 3185) authorizing certain Indian tribes and bands, or any of them, residing in the State of Washington, to present their claims to the Court of Claims; to the Committee on Indian Affairs.

By Mr. RANSDELL:

A bill (S. 3186) to promote the production of sulphur upon the public domain; to the Committee on Public Lands and Surveys.

By Mr. WILLIS:

A bill (S. 3187) granting an increase of pension to Emaline Yoder (with accompanying papers); to the Committee on Pensions.

By Mr. PEPPER:

A bill (S. 3188) to provide further for the relief of war minerals producers, and to amend the act entitled "An act to provide relief in cases of contracts connected with the prosecution of the war, and for other purposes," approved March 2, 1919, as amended; to the Committee on Mines and Mining.

By Mr. McNARY:

A bill (S. 3189) conferring jurisdiction upon the United States District Court for the District of Oregon or the Court of Claims, to hear and determine any suit or suits, actions or proceedings which may be instituted or brought by the Klamath irrigation district, a public corporation of the State of Oregon, or the State of Oregon by intervention or direct suit or suits, to set aside that certain contract between the United States and the California Oregon Power Co., dated February 24, 1917, together with all contracts or modifications thereof, and to set aside or cancel the sale made by the United States Government, through the Secretary of the Interior, of the so-called Ankey and Keno Canals, and the lands embraced in the rights of way thereof, to the said California Oregon Power Co.; said sale having been made in the year 1923; to the Committee on Irrigation and Reclamation.

By Mr. CAPPER:

A bill (S. 3190) to amend an act entitled "An act to regulate the height of buildings in the District of Columbia," approved June 1, 1910; to the Committee on the District of Columbia.

By Mr. ERNST:

A bill (S. 3191) granting a pension to Roberta Daviess; to the Committee on Pensions.

By Mr. GILLET:

A bill (S. 3192) to amend section 9 of an act entitled "An act to define, regulate, and punish trading with the enemy, and for other purposes," approved October 6, 1917, as amended; to the Committee on the Judiciary.

By Mr. TYSON:

A bill (S. 3193) granting the consent of Congress to the highway department of the State of Tennessee to construct a bridge across the Tennessee River on the Waverly-Camden road between Humphreys and Benton Counties, Tenn.;

A bill (S. 3194) granting the consent of Congress to the highway department of the State of Tennessee to construct a bridge across the Cumberland River on the Gainesboro-Red Bolling Springs road in Jackson County, Tenn.; and

A bill (S. 3195) granting the consent of Congress to the highway department of the State of Tennessee to construct a bridge across the Tennessee River on the Lenoir City-Sweetwater road in London County, Tenn.; to the Committee on Commerce.

By Mr. McKELLAR:

A bill (S. 3196) granting the consent of Congress to the highway department of the State of Tennessee to construct a bridge across the Tennessee River on the Savannah-Selmer road in Hardin County, Tenn.; and

A bill (S. 3197) granting the consent of Congress to the highway department of the State of Tennessee to construct a bridge across the Tennessee River on the Linden-Lexington road in Decatur County, Tenn.; to the Committee on Commerce.

By Mr. CAMERON:

A bill (S. 3198) for completion of the road from Tucson to Ajo via Indian Oasis, Ariz.; to the Committee on Indian Affairs.

## HEARINGS BEFORE COMMITTEE ON IRRIGATION AND RECLAMATION

Mr. McNARY submitted the following resolution (S. Res. 150), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

*Resolved*, That the Committee on Irrigation and Reclamation, or any subcommittee thereof, hereby is authorized during the Sixty-ninth Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer at a cost not to exceed 25 cents per 100 words, to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate, and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

## RIGHTS OF AMERICAN CITIZENS IN MEXICO

Mr. NORRIS. Mr. President, I submit the resolution which I send to the desk, and I ask unanimous consent for its present consideration.

The VICE PRESIDENT. The resolution submitted by the Senator from Nebraska will be read.

The resolution (S. Res. 151) was read, as follows:

Whereas various statements in the public press seem to indicate that there is a serious dispute between the Government of the United States and the Government of Mexico, in which it is claimed that various constitutional provisions and statutes of the Mexican Government conflict with the rights of American citizens alleged to have been acquired in oil lands in Mexico prior to the adoption of such constitutional provisions and the enactment of such laws; and

Whereas the American people are in ignorance of the real questions involved because the official correspondence between the two Governments has not been made public; and

Whereas full publicity of all the facts entering into such dispute is extremely desirable in order that the people of the two Governments may fully understand all the questions involved in said dispute; and

Whereas it has been stated in the public press that the Department of State has been very anxious to give full publicity to the official correspondence and that the Mexican Government has objected to such publicity: Now therefore be it

*Resolved*, That, if not incompatible with the public interests, the Secretary of State be requested to inform the Senate whether the Mexican Government has objected and is objecting to the publication of all the official correspondence pertaining to said dispute, and if it has so objected what reason, if any, has been assigned for the objection to such publicity.

Mr. BORAH. Mr. President, I think I should like to have that resolution lie over for a day, if there be no objection.

The VICE PRESIDENT. The resolution will lie over under the rule.

## HOUSE RESOLUTIONS REFERRED

The joint resolution (H. J. Res. 153) providing for the participation of the United States in the sesquicentennial celebration in the city of Philadelphia, Pa., and authorizing an appropriation therefor, and for other purposes, was read twice by its title and referred to the Committee on the Library.

The concurrent resolution (H. Con. Res. 11) to tender the thanks and appreciation of the Congress of the United States for heroic services rendered by the officers and crews of the steamships *President Roosevelt*, *President Harding*, *American Trader*, *Republic*, and *Cameronia* was referred to the Committee on Commerce.

## ACQUISITION OF LANDS IN DISTRICT OF COLUMBIA

Mr. PHIPPS. Mr. President, yesterday the Senate in considering the calendar under the five-minute rule passed the bill (H. R. 4785) to enable the Rock Creek and Potomac Parkway Commission to complete the acquisition of the land authorized to be acquired by the public buildings appropriation act approved March 4, 1913, for the connecting parkway between Rock Creek Park, the Zoological Park, and Potomac Park. I had been called from the Chamber and was not aware that the bill was coming up. I had an amendment pending to the bill for which I wished to ask consideration. I now move that the vote of the Senate by which the bill was ordered to a third reading and passed may be reconsidered.

Mr. ROBINSON of Arkansas. To what did the bill relate?

Mr. PHIPPS. It appropriated \$600,000 for the acquisition of property to connect Rock Creek Park with the Potomac Parkway.

Mr. ROBINSON of Arkansas. And the Senator had an amendment pending?

Mr. PHIPPS. I had an amendment pending. The purpose of the amendment was to provide that the \$600,000 should be contributed pro rata by the District and by the Federal Government on the 40-60 plan. I would like to have the Committee on the District of Columbia consider that amendment.



Mr. ROBINSON of Arkansas. The bill was reported from the committee of which the Senator is chairman?

Mr. PHIPPS. No; it was reported from the Committee on the District of Columbia. I wish to ask that the bill be re-committed to that committee in order that I may present arguments in favor of my amendment.

Mr. ROBINSON of Arkansas. I see no objection to that procedure.

Mr. NEELY. Is the bill still in the possession of the Senate, or has it been sent to the House?

The VICE PRESIDENT. The Chair is advised that the bill is still in the possession of the Senate. The question is on the motion of the Senator from Colorado to reconsider the votes by which the bill was ordered to a third reading and passed.

The motion to reconsider was agreed to.

Mr. PHIPPS. I now move that the bill (H. R. 4785) be re-committed to the Committee on the District of Columbia for further consideration.

Mr. NORRIS. Mr. President, I would like to ask the Senator from Colorado to withhold any action on his motion. I have no objection to the motion pending, but the chairman of the Committee on the District of Columbia [Mr. Capper] is not in the Chamber and I think before the bill is re-committed he ought to be given an opportunity to be heard.

Mr. ROBINSON of Arkansas. I suggest to the Senator that the bill be restored to its place on the calendar and that the amendment be presented for the consideration of the Senate when the bill is again taken up.

Mr. PHIPPS. I have no objection to that course. I will see that I am notified the next time the bill is called up. I did not have an opportunity to discuss the matter before the committee when they had the bill under consideration and before they reported it out. Under the circumstances I accept the suggestion of the Senator from Arkansas and withdraw my motion for the recommitment of the bill.

The VICE PRESIDENT. The bill will be placed on the calendar.

Mr. PHIPPS subsequently said: I have been informed by the clerks that House bill 4785 was transmitted to the House of Representatives before my motion to reconsider was entered. I therefore move that the House be requested to return the bill to the Senate.

The motion was agreed to.

#### HANGARS AND FLYING FIELDS FOR AIR MAIL SERVICE

Mr. McKELLAR. Mr. President, on yesterday when the calendar was being considered the bill (S. 776) to authorize and provide for the payment of the amounts expended in the construction of hangars and the maintenance of flying fields for the use of the Air Mail Service of the Post Office Department was passed by the Senate, as shown on page 4130 of the RECORD. I happened not to be in the Senate at the time. I ask unanimous consent that the votes by which the bill was ordered to a third reading and passed may be reconsidered, and that the bill may be restored to the calendar. If it has gone to the House, I shall ask that it may be returned to the Senate.

Mr. JONES of Washington. What is the purpose of the bill?

Mr. McKELLAR. It is a bill regarding payment by the Postmaster General for hangars and flying fields for the Air Mail Service. It seems that certain chambers of commerce have at their own expense aided in the construction of air fields and the building of hangars and now they want to be reimbursed by the Government. I intended to ask yesterday to have the bill reconsidered, as I was not present when the bill came up for consideration.

The VICE PRESIDENT. Is there objection to the request of the Senator from Tennessee?

Mr. NORRIS. May I ask the Senator a question? What is the purpose of the Senator? Does he want to offer an amendment?

Mr. McKELLAR. I want to look into the matter further. I do not think that authority should be given in this way. I want to offer an amendment.

Mr. PHIPPS. Mr. President, may I ask the Senator a question?

Mr. McKELLAR. Certainly.

Mr. PHIPPS. Can the Senator inform us whether the bill, as passed, covers any Government landing station or any landing stations not now being used by the Government?

Mr. McKELLAR. I can not answer that question. I do know it is to refund the outlays of certain chambers of commerce which have been made, I think, as gifts, and not as advances to the Government.

Mr. KING. Mr. President, if the Senator will permit, I think he is in error with respect to the facts regarding the appropriation. As I understand, three hangars were constructed in three different States for the purpose of caring for the airplanes used by the Government in carrying mail from Chicago to San Francisco. When the mail route was established the Post Office Department had no funds with which to construct the hangars or provide aviation fields. One of the agents of the Government represented, at least in one case, that the Government would compensate various citizens who consented to advance the necessary money to build the hangars. After they were constructed they were used by the Government, and they are still being used by the Post Office Department. When the hangars were constructed they were turned over to the Government; and if those who constructed them should retake possession the Government would have to build others at a cost greatly in excess of the amount carried in the bill in question. These are the facts as I understand them.

Mr. McKELLAR. On the Senator's statement certainly the bill ought to be reconsidered, and it evidently had no consideration yesterday. Some representative of the Government, as the Senator said, made an individual contract with a chamber of commerce to construct a flying field for the Government. Surely a matter of that kind ought to have the consideration of the Senate before the Government is authorized to pay for the supposed damages or the supposed costs. All I am asking at this time is that the bill be recalled. I am asking unanimous consent that the votes by which the bill was ordered to a third reading and passed may be reconsidered, and the bill again placed on the calendar so that matter may be threshed out. The Senator will surely have every opportunity to present his views on the subject.

Mr. KING. I know it has been considered three times by committees and for three years at least.

Mr. McKELLAR. But the bill was never passed before, and evidently there is some reason why it should not be passed. All I ask is a reconsideration. I am not asking for the defeat of the measure at all; I am just asking for reconsideration of the votes so that the facts may be gone into thoroughly by the Senate. I hope I may have unanimous consent for that purpose.

Mr. ROBINSON of Arkansas. The Senator from Tennessee does not desire that the bill shall be taken up now?

Mr. McKELLAR. No; I merely desire that it shall be restored to the calendar.

Mr. FLETCHER. If unanimous consent shall not be granted the Senator from Tennessee can make a motion to reconsider.

Mr. McKELLAR. I know I can do that; but, as a rule, where a request is made by a Senator in such a case in order to save time unanimous consent is granted, and I hope it will be granted in this instance.

Mr. SMOOT. I have no objection to the request, but I should like to have the bill considered and disposed of.

Mr. McKELLAR. The bill may be considered at any time.

Mr. SMOOT. And when that time shall come the whole question will be presented to the Senate.

Mr. McKELLAR. Certainly.

Mr. SMOOT. I know that the money was spent, and I know that the hangars and flying fields were provided. I know further that there was an agreement that reimbursement should be made. Of course, if Congress does not wish to discharge the obligation, well and good; the people of Salt Lake City and Utah will stand the loss.

Mr. McKELLAR. I am perfectly willing that the bill may be restored to the head of the calendar, so that it may come up first.

The VICE PRESIDENT. No action can be had until the bill shall have been returned from the House of Representatives. Is there objection to the request of the Senator from Tennessee [Mr. McKELLAR]? Without objection, the House of Representatives will be requested to return the bill to the Senate, and the motion to reconsider will be entered.

#### AVIATION FIELD AT YUMA, ARIZ.

Mr. CAMERON. Mr. President, I have been informed that a clerical error appears in the bill (S. 2307) authorizing the sale of certain lands to the Yuma Chamber of Commerce, Yuma, Ariz., which was passed by the Senate on yesterday. With a view to correcting the error I desire to enter a motion to reconsider the vote on its passage. Inasmuch as the bill has been transmitted to the House of Representatives, I move that the House be requested to return the bill to the Senate.

The motion was agreed to.

## ADDRESS BY SENATOR SWANSON—THE WORLD COURT

Mr. STEPHENS. Mr. President, a few nights ago the Senator from Virginia [Mr. SWANSON] delivered an address which was broadcast through one of the radio stations of this city. The subject of the address was the World Court. It is a very interesting and instructive address, and I ask unanimous consent that it may be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

My friends of the radio audience, in response to many requests, I have consented to discuss to-night the reservations included by the Senate in its resolution adhering to the protocol of the statute of the World Court.

The first declaration contained in the resolution is a statement that the United States adheres to the voluntary jurisdiction of the World Court, and not to its compulsory jurisdiction. The World Court provides for compulsory jurisdiction in certain specified disputes, which jurisdiction can be accepted by states when adhering to the court. Nineteen states have adopted the compulsory jurisdiction of the court. Compulsory jurisdiction, when accepted by a state, enables the court to summon that state before the court to answer a complaint made by another state.

Under the resolution of ratification approved by the Senate, the court can only have jurisdiction of such matters affecting the United States as she voluntarily consents for the court to hear and determine. This was in accordance with the recommendations of Presidents Harding and Coolidge and Secretary Hughes. Thus, no matter can come before the court involving the United States' rights or interests, and which would be binding upon it, unless it had previously given its consent. The assertion is frequently made that the United States could be summoned before the court and have any of its rights and interests determined without its consent. This assertion is without the slightest foundation.

The voluntary jurisdiction of the court, by the terms of the statute creating it, is specifically limited to such matters as the states by agreement or treaty shall refer to the court for consideration and determination. Under the Constitution of the United States all agreements with foreign nations must be made by the President by and with the advice and consent of the Senate. Under the Constitution the consent of the Senate when given to such an agreement must be by a two-thirds vote of the Members present and voting. In order to make this constitutional provision clear and to obviate all apprehension felt by some that this constitutional course might not be followed in referring a cause to the court, the resolution of adherence contains a specific provision that the United States approve the protocol to the statute creating the court with the understanding that recourse to the Permanent Court of International Justice for the settlement of differences between the United States and any other state or states can be had only by agreement thereto through general or special treaties concluded between the parties in dispute. This is similar to the provision contained in the resolution of adherence to the convention establishing the Court of Arbitration at The Hague in 1907.

Thus under the resolution of adherence all cases which go to the World Court must be by special or general treaties made by the President by and with the advice and consent of the Senate. The consent of the Senate when given to either special or general treaties must be by two-thirds vote of the Members present and voting. Every right and interest of the United States is thus fully and completely protected as required by the Federal Constitution.

It should be noted that the resolution of ratification provides for either special or general treaties. Under this provision there could be a special treaty for a specific case, or there could be a general treaty with a nation for reference of certain or specified classes of cases to the court for consideration and decision. Whether special or general treaty the concurrence of the Senate is required. Under this condition of adherence the United States, by the consent of the President and two-thirds of the Senate, can make general treaties with nations which would obviate the necessity of having a special treaty in each case. If such treaties are made with the concurrence of the Senate, the consent of the Senate would have been previously given to the reference of such cases and would be in accord with the requirements of the Federal Constitution.

The next reservation to be considered is the one declaring that adherence to the World Court shall not be taken to involve any legal relation on the part of the United States with the League of Nations or the assumption of any obligations by the United States under the treaty of Versailles. This reservation was suggested by Presidents Harding and Coolidge and Secretary Hughes.

I do not think this reservation was necessary, as the World Court has a statute assented to by 48 nations absolutely distinct from the statute creating the covenant of the League of Nations, which has been assented to by 55 nations. The World Court is controlled by its own statute, adopted separately and independently by 48 nations, and derives no authority from the statute creating the covenant of the league. The league can not in any way modify or amend the statute

of the World Court. That statute can only be modified or amended by the 48 nations who separately and independently assented to the creation of the court.

Everything that the league does in connection with the court it does under the statute of the court and not under the covenant of the league, and acts only as an agency under the direction and control of the court's statute. The provision was included to allay the apprehension previously entertained by some and also to obviate the clamor sought to be created by the opponents of the court that adherence to the court meant entrance into the league. This reservation relieves the doubts and completely answers the false charge.

The next reservation to be considered is that which permits the United States to participate, through representatives designated for the purpose, upon an equality with other state members, respectively, of the council and assembly of the league in any and all proceedings of either council or assembly for the selection of judges of the court or for the filling of vacancies.

This reservation was recommended by Presidents Harding and Coolidge and Secretary Hughes. It was believed that if the United States adhered to the court, that it should have the same right as any other state or member in the selection of judges. This reservation confers this right upon the United States. In both the council and assembly of the league it will have representation and have the same rights possessed by any other state or member. This right of sitting in the council or assembly of the league is limited entirely to the selection of judges. The council and assembly of the league when it elects judges does so under the statute creating the World Court and not under the covenant of the league. The power derived for the selection of judges is derived only from the statute and not the covenant of the league. When the United States sits in the council and assembly of the league, it will be an entirely different body from that provided in the covenant of the league, and hence, in thus acting, the United States would not be participating in the work of the covenant of the league. Any thoughtful and impartial mind must inevitably reach this conclusion.

The representatives designated to represent the United States in the council and assembly of the league must be appointed by the President, by and with the advice and consent of the Senate, as required by the Constitution, unless Congress by an act should direct otherwise. In this respect every right and interest of the United States is fully protected.

The next reservation to be considered is the one providing that the United States will pay a fair share of the expenses of the court as determined and appropriated from time to time by the Congress of the United States.

The United States would not wish to enjoy the privileges of this great court without paying its fair share of the expenses necessary for its operation. The largest sum that has been paid by any nation for the expenses of the court is that paid by Great Britain, which amounts to \$35,000 annually.

It should be noted that this reservation provides that the amount to be paid by the United States shall be determined and appropriated by Congress. Therefore, Congress determines the expenses to be incurred by the United States toward its share of the expenses of the court. Again, the Constitution of the United States was scrupulously followed, which prevents the appropriation of public money except by an act of Congress. No expenses incident to the court can be incurred by the United States without the approval of Congress. Every right and interest of the United States in this respect is fully protected. This reservation was recommended by Presidents Harding and Coolidge and Secretary Hughes.

The next reservation to be considered is that which provides that the United States may at any time withdraw its adherence to the World Court, and that the statute creating the court shall not be amended without the consent of the United States.

This reservation was not absolutely necessary, since the United States has a right to withdraw whenever it saw proper to do so, and the statute of the court could not be amended without the assent of the states which have given their adherence. The statute of the court being a treaty or convention, the United States by a joint resolution of Congress could at any time withdraw its adherence. The Supreme Court of the United States has repeatedly held that a joint resolution of Congress repeals a treaty or convention which had been previously ratified.

As the right of annulling a treaty is usually reserved or embraced in the treaty itself, it was thought wise to include this reservation in the resolution of adherence so that no question could ever be raised as to the United States possessing the right of withdrawal. It was also believed that since the United States gave its adherence to the existing statutes it was wise for it to also reserve the right that the existing statute should not be amended without its consent, thus avoiding any controversy in the future upon this question.

This also relieves the apprehension that some entertain that the court in the future might be different from the one to which the United States now gives her adherence. This provision completely eliminates the forebodings indulged in by some as to what the court might become



and do in the future. We know what the court is, we know the splendid work it has done, and this provision gives full assurance that its present course can not be changed without our consent. In this respect, I submit, every right and interest of the United States is fully protected.

The next reservation to be considered is the one which provides that the court shall not render any advisory opinion except publicly after due notice to all states adhering to the court and to all interested states and after public hearing or opportunity for hearing is given to any state concerned, nor shall the court, without the consent of the United States, entertain any request for an advisory opinion touching any dispute or question in which the United States has or claims an interest.

It should be noted that the World Court may give advisory opinions to the council of the league when requested to do so upon any specific matter or question. The rendering of advisory opinions is optional with the court.

In establishing the rules governing advisory opinions the court decided to treat advisory opinions similar to cases pending before the court for decision. Notice is required to be given, public hearings and arguments in open court are given precisely as in cases, and the opinion is publicly rendered.

The advisory opinions of the court have always been upon matters permitting of judicial decision, consisting of the interpretation of treaties or the application of international law. The opponents of the court concede that if the rules and conduct governing the court in the past in giving advisory opinions are pursued in the future objections to advisory opinions are largely eliminated, and the court will perform a useful and important service.

This reservation, when assented to by the other nations, insures that the World Court in the future will pursue the commendable and judicial course which has characterized it in the past. Under this provision advisory opinions are rendered publicly after full hearing and argument and with all the procedure that characterizes judicial consideration and action. Some of the most beneficial results derived from the World Court have come from the rendering of advisory opinions, which have always been so just and wise as to have been acquiesced in and followed. No opponent of the court can successfully challenge the wisdom and justice of any advisory opinion rendered nor deny the splendid results that have accrued from these opinions. This reservation insures that the future history of the court in rendering advisory opinions will be as beneficial as has been its past.

The latter part of this reservation was intended to protect the interests of the United States. It should be noted that it provides that the court shall not "entertain any request for an advisory opinion touching any dispute or question in which the United States has or claims an interest" without its consent.

The advisory opinions of the court are rendered at the request of the council of the league. The council of the league acts unanimously when making this request. Thus the four great powers which have permanent members in the council possess a veto power upon the request of the council of the league for an advisory opinion of the court. Either one of these powers can, by exercising this veto power, prevent the council from asking the court for an advisory opinion upon any question that would embarrass it or upon which it does not desire to have an advisory opinion.

It was believed to be fair and just that the veto power possessed by these four great powers should also be possessed by the United States where its interests are concerned. This would place the United States on an equality with these four powers in connection with controlling a request for an advisory opinion, when its interest was affected. The provision of the resolution provides "that the court shall not entertain a request for an advisory opinion upon any dispute or question in which the United States has or claims an interest" without its consent.

Thus the United States by claiming an interest can control the granting of a request for an advisory opinion touching matters affecting her equally with the other four great powers which are members of the council. Of course the United States will exercise this right fairly, justly, and properly. Thus upon advisory opinions to be rendered by the court the rights and interests of the United States are fully protected. With this reservation there can be no reasonable objection to adherence to the World Court on account of its rendering advisory opinions.

The next reservation to be considered is the one providing that the signature of the United States shall not be affixed to the protocol of the statute of the court until the powers signatory to such protocol shall have indicated through exchange of notes their acceptance of the foregoing reservations and understandings as a part and a condition of the adherence by the United States to the said protocol.

This provision is made in order to prevent any future misunderstandings as to the conditions upon which the United States adheres to the court. Some of these amount practically to amendments to the statute of the court, hence it is necessary to obtain the consent of the signatory powers to the statute in order for the amendments to be made. To prevent the delay which would be incident to amend-

ment of the statute the reservation provides that the powers signatory to the protocol can, by an exchange of notes, give their assent to these reservations, and when this is done the signature of the United States can then be affixed to the statute. By this method the amendments can be effected much more quickly and just as effectively as by the slow process of amendment. This has been frequently done. The United States in the resolution of ratification has included no reservation which is unreasonable and none that will not be beneficial to the court and none to which serious objection can be urged. I believe the 48 nations that have adhered to the court will, by exchange of notes, promptly acquiesce in these reservations and that the United States will be very soon one of the adhering nations.

The resolution of adherence in addition contained a declaration of policy on the part of the United States which does not in any way affect the statute of the court or require the assent of other nations. This declaration is as follows:

"That adherence to the said protocol and statute hereby approved shall not be so construed as to require the United States to depart from its traditional policy of not intruding upon, interfering with, or entangling itself in the political questions of policy or internal administration of any foreign state; nor shall adherence to the said protocol and statute be construed to imply a relinquishment by the United States of its traditional attitude toward purely American questions."

This reservation was included in the ratification of the convention of 1907 establishing the court of arbitration at The Hague. No objection could exist why it should not be reaffirmed in connection with adherence to the World Court since it was sought by other reservations to place the two courts on terms of equality.

The language employed in this reservation is that which has nearly always been employed when the United States ratified conventions and it was sought to emphasize the fact that its action in acceding to the convention should not be construed in any way as an abandonment of its foreign policy, generally known as the "Monroe doctrine." The reservation, by its continued use, has always been construed as a reaffirmance of this doctrine. By the assertion of this reservation no one can rightfully claim that the Monroe doctrine has in any way been affected by the adherence of the United States to this court. The Monroe doctrine is a political policy of the United States, and as such is not subject to the jurisdiction of any court. This declaration emphasizes the fact that the United States has no intention at this time or any other time of abandoning this long-cherished and continued foreign policy. It relieves absolutely all apprehensions that could exist in any doubting mind as to any jeopardy, injury, or detriment that could occur to this American policy by adherence to this court.

These are the reservations included in the resolution of adherence to the World Court. I submit a careful and thoughtful examination of these reservations will convince any impartial mind that every interest and right of the United States has been fully protected and every possible danger amply provided for.

My friends, the World Court in the few years of its existence by its decisions and opinions has settled many acute, important, and dangerous international disputes, which had long continued and which contained possibilities of serious trouble and possibly war. This court has disclosed how effective a world court can be for peace of mankind and for the settlement of international differences and disputes. This court has disclosed that in the international field the great principle of courts can be effective and can be instrumental in displacing war and in settling disputes which would otherwise continue. Private wars, feudal wars, conflicts of clans, and the bloody revenge of family feuds in nations have disappeared by the creation of courts, thus enabling law and reason to control where once force and hatred held full sway. The civilization of nations is measured by the extent that courts have superseded force and violence.

There are those of us who believe that courts in the international field can be made effective in abolishing war and can be as potential in the settlement of international disputes as State and national courts have become in the settlement of domestic disputes. The existing World Court is the effort of 48 states to accomplish this. It is the first court that has ever been organized world-wide in its scope and its aspirations. This court in its structure, in the character of the able judges who are its members, in its provisions, and in its opinions and decisions has proven itself worthy of the world's confidence and deserves the aid and maintenance of all peace-loving people.

I believe that if this World Court had existed in 1914 the World War would probably have been averted. The controversy between Austria and Serbia which precipitated the war was a question of fact which was properly a matter for investigation and decision by a court. Archduke Ferdinand, the crown prince of Austria, was assassinated, and Austria insisted that the assassination, if not instigated, was connived at by the Serbian Government or accredited Serbian officials. Serbia indignantly denied this charge and insisted it was the irresponsible act of a half-demented youth, and that the Serbian Government was in no way responsible or connected with the affair, and that the Serbian



Government would make the fullest investigation to ascertain if any citizens of Serbia were connected with the affair, and would promise to inflict upon anyone found guilty the fullest and severest punishment. Austria insisted that she would not trust the investigation of the matter to the Serbian Government, but that Austrian officials must enter Serbia to participate in and direct the fullest investigation and ascertain for themselves the facts. Serbia replied that she could not consent for Austrian officials to enter Serbian territory to make this investigation to determine the guilt or innocence of Serbians, and especially the Serbian Government and its officials, without an absolute surrender of its sovereignty as a free state. As this time there was no World Court or other important world instrumentality by which this deplorable assassination could be investigated and the facts ascertained in order for justice to be awarded. If there had then existed a World Court similar to this court, Austria and Serbia would probably have consented for this court to make an investigation of this murder and determine the guilt or innocence of the parties and to render a decision.

The passion and anger in the meantime would have cooled and wise and saner counsel would have prevailed. The national pride of Austria and Serbia would have permitted such a reference, and neither the prestige of the two nations or others concerned would have been affected by a reference of the matter to the World Court. This action would have saved the world from the frightful war, which cost over twenty millions of lives and almost half the world's wealth, and from the evils of which it will take several generations to recover. When confronted with another such terrible catastrophe, let there exist a court endowed with wisdom, entrenched in confidence, to which the world can have recourse for the peaceful and just settlement of the threatening dispute.

The United States, by joining this court, has decided to strive to obtain for the world such a court, to be one of the potential factors in shaping its destiny, in extending its usefulness, in giving wisdom to its decisions, and in making it a world temple of justice and law, where all nations can go to have their international differences and disputes decided. Above all things, the world needs peace founded on justice and right. I thank you.

#### MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hattigan, one of its clerks, announced that the House had passed, without amendment, the joint resolution of the Senate (S. J. Res. 41) providing for the filling of a proximate vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 8722) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1926, and June 30, 1927, and for other purposes; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MADDEN, Mr. ANTHONY, and Mr. BYRNS were appointed managers on the part of the House at the conference.

#### URGENT DEFICIENCY APPROPRIATIONS

The PRESIDING OFFICER (Mr. WADSWORTH in the chair) laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 8722) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1926, and June 30, 1927, and for other purposes, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. WARREN. I move that the Senate insist upon its amendments and grant the request of the House for a conference, and that the conferees on the part of the Senate be appointed by the Chair.

The motion was agreed to; and the Presiding Officer appointed Mr. WARREN, Mr. CURTIS, and Mr. OVERMAN conferees on the part of the Senate.

#### ALUMINUM CO. OF AMERICA

Mr. CUMMINS. Mr. President, I desire formally to present from the Committee on the Judiciary the minority views of the Senator from Oklahoma [Mr. HARRELD] (Rept. 177, pt. 2) and myself, separately (Rept. 177, pt. 3), upon the report of the Senator from Montana [Mr. WALSH] on Senate Resolution 109. I think the order of the Senate was that I should present those views this morning.

The VICE PRESIDENT. The views of the minority presented by the Senator from Iowa will be received and printed.

Morning business is closed. On February 16 the following unanimous-consent agreement was entered into by the Senate:

#### SPECIAL ORDER

Ordered, by unanimous consent, That the report (No. 177) of the Committee on the Judiciary, submitted by Mr. WALSH on February 15, in the matter of the Aluminum Co. of America, be made a special order for Thursday, February 18, 1926, immediately after the conclusion of the routine morning business.

In pursuance of the unanimous-consent agreement, the Chair lays before the Senate Report No. 177 from the Committee on the Judiciary, submitted on the 15th instant by the Senator from Montana [Mr. WALSH], in the matter of the Aluminum Co. of America.

Mr. WALSH. Mr. President, the report to which the pending motion proposes that the Senate shall give its approval carries an implication of dereliction on the part of the Department of Justice in the discharge of a grave duty devolved upon it by the Congress touching offenses against the law, not in a matter of trivial significance but one of the very highest importance, judged either from the nature of the affair or the eminence of the parties involved, or the dignity of the source from which the accusation comes.

The report was made pursuant to a resolution of the Senate by which it was recited that—

on the 30th day of January, 1925, the then Attorney General, Hon. Harlan F. Stone, addressed a letter to the chairman of the Federal Trade Commission in which he stated, "It is apparent, therefore, that during the time covered by your report the Aluminum Co. of America violated several provisions of the decree—

Referring to a decree entered against the Aluminum Co. in the United States Court for the Western District of Pennsylvania in 1912—

that with respect to some of the practices complained of, they were so frequent and long continued, a fair inference is the company either was indifferent to the provisions of the decree or knowingly intended that its provisions should be disregarded, with a view to suppressing competition in the aluminum industry—

The resolution adopted by the Senate directed—

That the Committee on the Judiciary of the Senate be, and it hereby is, directed forthwith to institute an inquiry as to whether due expedition has been observed by the Department of Justice in the prosecution of the inquiry so initiated on the direction of former Attorney General Stone, or which he reported would be initiated.

The Aluminum Co. of America is a corporation organized under the laws of the State of Pennsylvania, enjoying a complete monopoly of the production of crude aluminum in the United States and of all commercial deposits of bauxite, the ore from which aluminum is produced.

The decree referred to, among other things, enjoined the Aluminum Co. from certain practices charged against them in the complaint intended to establish and maintain a monopoly.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator a question?

Mr. WALSH. Yes.

Mr. ROBINSON of Arkansas. Was that a consent decree?

Mr. WALSH. It was a consent decree.

Section 6 of the decree contains the following:

That the defendant and its officers, agents, and representatives be, and they are hereby, perpetually enjoined from entering into a contract with any other individual, firm, or corporation of a like or similar character to the above-quoted provisions in the contracts between the Aluminum Co. of America and the General Chemical Co., between said Aluminum Co. and the Norton Co., between said Aluminum Co. and the Pennsylvania Salt Manufacturing Co., and between said Aluminum Co. and Kruttschnitt and Coleman, or either of them, and from entering into or participating in any combination or agreement the purpose or effect of which is to restrict or control the output or the prices of aluminum or any material from which aluminum is directly or indirectly manufactured, and from making any contract or agreement for the purpose of or the effect of which would be to restrain commerce in bauxite, alumina, or aluminum, or to prevent any other person, firm, or corporation from or to hinder him or it in obtaining a supply of either bauxite, alumina, or aluminum of a good quality in the open market in free and fair and open competition, and from themselves entering into, or compelling or inducing, under any pretext, or in any manner whatsoever, the making of any contract between any persons, firms, or corporations engaged in any branch of the business of manufacturing aluminum goods the purpose or effect of which would be to fix or regulate the prices of any of their raw or manufactured products in sale or resale.

Then specifically, with reference to unfair practices charged against this company, the decree prohibited them from—

(b) Delaying shipments of material to any competitor without reasonable notice and cause, or refusing to ship or ceasing to continue



shipments of crude or semifinished aluminum to a competitor on contracts or orders placed, and particularly on partially filled orders without any reasonable cause and without giving notice of same, or purposely delaying bills of lading on material shipped to any competitor, or in any other manner making it impossible or difficult for such competitor promptly to obtain the material upon its arrival, or from furnishing known defective material.

(c) Charging higher prices for crude or semifinished aluminum from any competitor than are charged at the same time under like or similar conditions from any of the companies in which defendant is financially interested, or charging or demanding higher prices for any kind of crude or semifinished aluminum from any competitor for the purpose or which under like or similar conditions will have the effect of discriminating against such manufacturers in bidding on proposals or contracts to the advantage of said defendants or any company in which it is financially interested.

(d) Refusing to sell crude or semifinished aluminum to prospective competitors in any branch of the manufacturing aluminum goods industry on like terms and conditions of sale, under like or similar circumstances, as defendant sells such crude or semifinished aluminum to any firm or corporation engaged in similar business in which defendant is financially interested.

I should explain here that not only does this corporation enjoy a monopoly of the production of crude aluminum but it is also engaged in the production of utensils and other products which enter into competition with independent producers of such commodities.

Mr. REED of Pennsylvania. Mr. President, will the Senator yield to a question?

Mr. WALSH. I yield.

Mr. REED of Pennsylvania. When the Senator says that this company has a monopoly in this or that, does he mean that it has possession of any facilities which prevent anybody else from going into the business?

Mr. WALSH. It has control of practically every deposit of commercial bauxite in the United States.

Mr. REED of Pennsylvania. But the Senator knows—

Mr. WALSH. A competitor in the production of crude aluminum may import crude aluminum from other countries, but there is a high tariff upon its importation, so that it is commercially impossible to enter into competition with the Aluminum Co. of America in the production of crude aluminum in this country.

Mr. REED of Pennsylvania. But the Senator knows there is no tariff on the importation of bauxite. Is that not so?

Mr. WALSH. On the importation of bauxite?

Mr. REED of Pennsylvania. Yes, sir.

Mr. WALSH. It does not make any difference whether there is or not. I am not speaking about what might happen; I am telling what the fact is.

Mr. REED of Pennsylvania. Will not the Senator yield, then, to a further question?

Mr. WALSH. Yes.

Mr. REED of Pennsylvania. Does not the Senator know that most of the bauxite which this company uses it itself imports from abroad?

Mr. WALSH. I know it imports large quantities of bauxite from abroad, chiefly from sources which it itself owns.

Mr. REED of Pennsylvania. Does not the Senator know that there is more bauxite in British Guiana and Dutch Guiana—

Mr. WALSH. Wait a moment. I must object to this line of questioning.

Mr. REED of Pennsylvania. Yes; I do not think it is fair to argue with the Senator at this point.

Mr. WALSH. The Senator can not go on and make an argument without diverting me from the course of my discussion of this matter. I am stating that the Aluminum Co. of America is the sole source in America from which manufacturers of aluminum products can secure a supply of aluminum.

Mr. REED of Pennsylvania. One more question, and I will not interrupt again. Does not the Senator know that a very large amount of German and Swiss and French aluminum is constantly being pressed for sale throughout American markets?

Mr. WALSH. Yes; and I shall demonstrate before I get through that there is a working agreement between all of them and the Aluminum Co. of America by which the Aluminum Co. of America fixes prices in America; and, besides that, it owns a controlling interest in many of these foreign sources of supply.

Mr. REED of Pennsylvania. Can the Senator name a single one in which it does own a controlling interest?

Mr. WALSH. I shall be very glad to do that.

Mr. REED of Pennsylvania. I wish the Senator would.

Mr. WALSH. But, as I say, I do not want to be diverted from my argument to discuss side issues just now.

The provisions of the decree to which I have invited your attention were there inserted by reason of practices of the same character complained of in the complaint, from which I read as follows:

From 1889 until the present, whenever any independent aluminum industry of any kind gave promise either of being valuable to defendant if acquired, or of becoming a possible competitor of defendant or of any company in which it had an interest, defendant undertook, by unfair discriminations and other means, either to force such concern to sell its properties and business to or combine them with defendant itself or with a company in which it was interested, or entirely to abandon the aluminum business, and in but very few instances did defendant fail of its purpose. Not all the methods used by defendant are known to petitioner, but those known are as follows:

Defendant would suggest to the competing company a sale to defendant of its plants, and at the same time would threaten the establishment of a large competing plant of its own in such line of manufacture, and if the suggestion was not heeded, the independent would be harassed as to material and prices.

Mr. NORRIS. Mr. President, may I interrupt the Senator there?

Mr. WALSH. I yield.

Mr. NORRIS. Is the Senator reading from the petition of the Government in the original case?

Mr. WALSH. I am reading from the complaint upon which was entered the decree to which I have referred.

Mr. NORRIS. Exactly.

Mr. WALSH (reading)—

to impress fully upon the said independent how completely it was at the mercy of defendant for its supply of raw material. Among other methods of harassing such independents, defendant used the following:

It would delay forwarding bills of lading, and would refuse to supply independents further with metal, sometimes abruptly ceasing entirely to ship metal without warning or statement of excuse of any kind, or causing its controlled companies to do so, so that the concern affected was unable to fill its orders.

It discriminated against independents as to price for the crude aluminum needed, so that they were unable successfully to bid against or compete with the favored industries and obtain a living margin of profit.

It frequently refused to sell aluminum metal to those desiring to enter the business of manufacturing aluminum goods, thereby preventing an expansion of the industry and restraining trade therein.

It refused to sell others desiring to enter said field any aluminum metal unless they would agree not to engage in any line in any manner competing with the lines of the defendant and its allied companies.

It refused to guarantee quality, and at times delivered to competing plants metal which was known to be worthless and which had been rejected by plants allied to defendant.

The report made by the Federal Trade Commission, to which reference has been made, was made pursuant to a resolution of the Senate of date January 4, 1922, which recited that although prices generally had declined, the prices of household articles remained at unusually high figures; and the Federal Trade Commission was called upon to make a sweeping inquiry as to why it was that these prices remained high. That inquiry covered a very wide scope, and the commission reported in three separate reports.

In the month of January, 1923, it transmitted to the Senate volume 1 of its report, which dealt with the subject of furniture.

In the month of October following, 1923, it transmitted its second report dealing with stoves.

In the month of October, 1924, it transmitted volume 3, dealing with kitchen utensils and household appliances. That volume treated of nine different subjects—vacuum cleaners, washing machines, aluminum cooking utensils, refrigerators, sewing machines, household brooms and brushes, miscellaneous kitchen furnishings, association activities of hardware dealers, and profits of wholesale and retail dealers. The entire report consisted of 347 pages. Fifty-seven of those pages only dealt with the subject of aluminum kitchen utensils. I hold in my hand the section of the report dealing with that particular subject. Of those 57 pages, 14 pages only dealt with alleged infractions by the Aluminum Co. of America of this decree.

The Federal Trade Commission expressed its conclusions with respect to the matter in a brief paragraph, as follows:

Mr. CUMMINS. Mr. President—

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Iowa?

Mr. WALSH. I do.

Mr. CUMMINS. I desire to get a clear idea of the sequence of these events. Did the Senate charge the Federal Trade Commission with the duty of making an inquiry under section 5 of the Federal Trade Commission act? That is to say, did it charge the commission with making an inquiry with respect to unfair trade practices or unfair methods of competition?

The Senate, as I remember—the Senator will correct me if I am wrong—did not charge the commission with the duty of inquiring whether the decree of 1912 was or was not violated. It made its inquiry under the power that we granted it in the Federal Trade Commission act respecting unfair methods of competition. That is true, is it not?

Mr. WALSH. I read from the resolution of January 4, 1922, as follows:

*Resolved, That the Federal Trade Commission be, and hereby is, authorized and directed promptly to investigate the causes of factory, wholesale, and retail price conditions in the principal branches of house-furnishing goods industry and trade, beginning with January, 1920, and particularly to ascertain the organization and interrelations of corporations and firms engaged therein, and whether there have been and are unfair practices or methods of competition, or restraints of trade, combinations, or manipulations out of harmony with the law of public interest; and if so, what effect the same have had on prices; and serially to report the facts, with its recommendations, at the earliest possible time as different phases of the investigation are completed.*

Mr. CUMMINS. It may be of no materiality, but I simply wanted Senators to have in mind the fact that the commission was not charged by the Senate with the duty of ascertaining whether the Aluminum Co. of America had violated the decree of 1912.

Mr. WALSH. The commission was not specifically directed by the Senate to inquire whether there had been any violation of the decree of 1912; but it is the duty of the commission, under the law, to inquire into those matters, and whenever it finds an infraction of a decree, no matter how it learns of it, to report the fact to the Attorney General.

Mr. CUMMINS. Undoubtedly. The Senator from Montana has stated one of the duties of the Federal Trade Commission. It can, either upon application or by direction of the Attorney General, or upon its own motion, inquire into the violation of any decree that may have been entered under the Clayton Act, the antitrust act, or any similar law. I do not doubt that. I do not question the right of the Federal Trade Commission to enter upon this inquiry; but I simply want it to be remembered that the Senate did not charge the commission with that duty.

Mr. WALSH. That is quite true, although I do not see that it is important here.

Mr. BORAH. Mr. President, I can not agree with the construction placed upon this resolution by the Senator from Iowa. It is true that the resolution does not specifically refer to the investigation of the question of whether there has been a violation of the decree; but how could the commission perform its duty of ascertaining whether or not there had been unfair practices without running up against the question of whether there had been a violation of this decree? There is no way by which it could have performed its duty without incorporating this in its findings.

Mr. WALSH. At some later point in the argument I intended to call attention to this provision of the statute, but I might as well do it now.

Subdivision (c) of section 6 of the Federal Trade Commission act reads:

Whenever a final decree has been entered against any defendant corporation in any suit brought by the United States to prevent and restrain any violation of the antitrust acts, to make investigation, upon its own initiative, of the manner in which the decree has been or is being carried out, and upon the application of the Attorney General it shall be its duty to make such investigation. It shall transmit to the Attorney General a report embodying its findings and recommendations as a result of any such investigation, and the report shall be made public in the discretion of the commission.

Mr. CUMMINS. Mr. President, referring to the remark made by the Senator from Idaho, there could be a great many methods of unfair competition that were not restrained in the decree of 1912. I think everyone will recognize that.

Mr. BORAH. Mr. President, this company was operating under a decree. The things which it was permitted to do were found in that decree. When the Federal Trade Commission undertook to ascertain whether or not there had been unfair practices, it must necessarily reach ultimately the question of whether or not the company was living up to that decree.

Mr. CUMMINS. Mr. President, that assumes that the decree prescribed all the methods that might be employed by the Aluminum Co. of America. It did not pretend to do anything of that kind. It enjoined the company from certain practices which it had found to be unlawful; but I still contend that there could be a great many other practices that could be unlawful and in violation of section 5 of the Federal Trade Commission act.

Mr. WALSH. Of course, there might be; but the commission could not possibly explore the area which the Senate directed it should explore without determining whether these particular unfair practices existed.

Mr. CUMMINS. I quite agree to that; and I do not question the right of the commission either to inquire into these facts or to make a report to the Attorney General—not at all. I think it did its duty in that respect; but I am still thinking that possibly the fact that the Senate did not impose upon the commission the duty of inquiring into violations of this decree may be found material before we have finished the discussion.

Mr. WILLIAMS. Mr. President—

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Missouri?

Mr. WALSH. I yield.

Mr. WILLIAMS. Does the Senator think it makes any difference whether this company was violating the terms of a decree or was violating the law? What significance has the decree?

Mr. WALSH. It is just simply a matter of the method of procedure. If it is violating the law in such a way that its action also constitutes a violation of the decree, the proper method of procedure is a prosecution for contempt instituted by the Attorney General. If it is violating the law in a matter not covered by the decree, the commission will proceed under another section of its law.

Mr. WILLIAMS. The Department of Justice might proceed, might it not, for a violation of the law rather than for a violation of a decree?

Mr. WALSH. The violation need not necessarily be a violation of the law. Not all unfair practices are prohibited by the law.

Mr. WILLIAMS. The Senator does not mean that the decree went further than the law, does he?

Mr. WALSH. No; I do not. The conclusion of the commission is expressed in a brief paragraph from the report made public on the 6th day of October, 1924, from which I read as follows:

A comparison of these provisions of the consent decree—

That is, those provisions to which I have already invited the attention of the Senate.

A comparison of these provisions of the consent decree with the methods of competition employed by the Aluminum Co. of America described above, especially with respect to delaying shipments of material, furnishing known defective material, discriminating in prices of crude or semifinished aluminum, and hindering competitors from enlarging their business operations appears to disclose repeated violations of the decree. Moreover, the original decree is obviously insufficient to restore competitive conditions in harmony with the antitrust laws, especially with respect to the monopolization of high-grade bauxite lands.

Mr. REED of Pennsylvania. Mr. President, will the Senator yield for a question?

Mr. WALSH. I yield.

Mr. REED of Pennsylvania. Was the opinion from which the Senator has just read the unanimous opinion of the Trade Commission?

Mr. WALSH. I was just about to explain exactly how it was.

Mr. REED of Pennsylvania. I am sorry I interrupted the Senator.

Mr. WALSH. Because so much has been said to the effect that this matter has no better basis than political bias and antagonism, I take the pains to state at this time that the Federal Trade Commission at that time was composed of three Republicans and two Democrats; that this report was the unanimous report of the commission; that is to say, it was the report made by the commission when four of the five members were present, two Democrats and two Republicans, and no voice was raised in opposition to the adoption of this report.

A little later on one of the commissioners, Mr. Gaskill, after the report had been transmitted to the Attorney General, wrote a private letter to the Attorney General, in which he stated that he was not present at the time the resolution of the commission adopting the report was passed, and that he



assumed no responsibility for anything in the report. Commissioner Gaskill, however, has never undertaken publicly to write a dissenting opinion or otherwise to attack any statement made or any conclusion recited in the report.

Mr. President, on the 8th day of October, 1924, the commission passed a resolution, likewise by unanimous vote, to the effect that a typed copy of the report be transmitted to the Attorney General, and that there be transmitted with it also any evidence before the commission supporting the report.

On the 17th day of October, 1924, a letter was transmitted to the Attorney General, with the typed copy of the report, in which it was stated that the evidence would follow speedily.

On the 20th of October, however, the commission sent another letter to the Attorney General, in which it was stated that all the testimony in the case, covering these nine different subjects to which I have referred, amounted to about 5,000 pages and that it would take a great deal of time and needless expense to send copies of all of that to the Department of Justice; and they suggested that instead the Department of Justice send a representative to the office of the commission; that that representative should have access to any of the files of the commission relating to the matter and liberty to take photostatic copies of any of the documents desired by that branch of the Government.

On the 22d day of October that letter was answered by the Attorney General, who stated that the "assistant in charge" would go to the Federal Trade Commission office and make the examination of the evidence in support of the charge. Bear in mind, Mr. President, that was not to be an ordinary investigator, taken out of the Bureau of Investigation, not a layman at all, not a subordinate in the Department of Justice, but that the "assistant in charge" of antitrust prosecutions would himself go there and examine the evidence so that the proper foundation could be laid.

On the 28th day of October Mr. Seymour, the then "assistant in charge" of antitrust prosecutions, sent to John L. Lott, at Tiffin, Ohio, a copy of all three of these volumes I have in my hand, volume 1 dealing with furniture, volume 2 dealing with stoves, volume 3 dealing with kitchen utensils and household appliances, 347 pages in all, of which only 57 had any relation whatever to this charge. Lott had theretofore been with the Department of Justice, and it was intended that he should come back, and the documents were sent to him in anticipation of his return.

That is all we hear about this matter until the 30th day of January, 1925, when Attorney General Stone put out the letter to which attention has already been directed. Count the time. The 6th day of October the report was adopted by the commission. On the 7th it was made public. On the 8th a resolution was passed that it should go to the Attorney General, and it went to the Attorney General on the 17th day of October. November is 1 month, December 2, January 3—3 months and 24 days from the time the resolution was adopted, 3 months and 13 days from the time the report was sent to the Attorney General.

It will be recalled that I stated that on October 22 the Attorney General wrote a letter in which he said that the "assistant in charge" would go to the Federal Trade Commission office for the purpose of examining the evidence. He has not gone from that day to this. No one had gone. The letter of the Attorney General of January 30 was written, not in the light of the evidence at all, but purely, as is therein recited, upon a study of the report alone. That is to say, all the Attorney General and the Department of Justice had before them for that entire period of 3 months and 24 days was this report, consisting of 57 pages, only 14 of which were devoted to infractions of this decree.

An ordinary lawyer who sat down and studied that report should in two hours be able to familiarize himself with everything in it. Two days would be ample time for any lawyer to take those 57 pages and become thoroughly apprised of everything in them. Yet the report lay in the office of the Attorney General of the United States for 3 months and 24 days before a single step was taken toward action in connection with the report.

The letter of the Attorney General reviews the provisions of the decree and the alleged violation thereof in the following language:

The decree perpetually enjoined the Aluminum Co. of America, its officers and agents, among other things, from—

1. Without reasonable cause and notice, delaying shipments of material to a competitor;
2. Refusing to ship, or ceasing to ship, crude or semifinished aluminum to a competitor, on contracts or orders placed, or on partially filled orders;

3. Charging a competitor higher prices for crude or semifinished aluminum than are charged at the same time, under like or similar conditions, a company in which defendant was interested; and
5. From furnishing competitors known defective material.

The complaints of competitors, with respect to deliveries and quality of materials furnished, may be classified as follows:

1. Cancellation of quotas;
2. Refusal to promise shipments;
3. Unreasonable delay in delivery;
4. Where two or more gauges of metal are ordered, shipping one kind or gauge and withholding shipment of the other;
5. Unreasonably delaying shipment and then suddenly dumping upon the competitors large quantities of metal shortly after they have been forced to purchase foreign metal to supply their necessities; and
7. Shipping competitors large quantities of materials known at the time of shipment to be defective.

Without attempting to review the evidence submitted in your report, it is sufficient to say that the evidence submitted supports to a greater or less extent the above-recited complaints of the competitors. And especially is this clear and convincing in respect to the repeated shipments of defective materials known at the time of shipment to be defective. This became so common and so flagrant as to call forth remonstrances from Mr. Fulton, of the Chicago office of the company.

These are declarations of one of the company's own officials:

On July 28, 1920, he wrote the company:

"In my opinion the grade of sheet which we are shipping is in many cases considerably below our pre-war standard. \* \* \*

"The last six months we have had some very critical situations with several of our customers on account of the buckled sheet which we have been shipping—so much so that at least two have told us plainly that if they were able to get better sheet they would reject every bit that we had shipped to them. \* \* \*

"Of the sheet on which we have authorized replacement or credit I would say that at least 90 per cent of it should never have left our mills and without any extra expense or trouble to the company should have been caught at the inspection."

On October 21, 1920, Mr. Fulton again wrote the company:

"I think it again of vital importance to call your attention to the class of sheet which is slipping through our inspection department. \* \* \*

"The greatest complaint is in reference to our coiled sheet.

"About three different customers within the last week have stated that they have hardly used any of our coiled sheet on account of the wide variation of gauge, there being as much of a variation as 4 and 6 B. & S. numbers in the same coil. This, of course, indicates nothing but careless rolling and more careless inspection.

"The next most general complaint is our shearing, in that the shearing is not correct to dimensions, especially width."

In December, Mr. Fulton, after an inspection tour of several plants, again calls attention to the complaints and to the defects in materials being shipped. Among other things, he says:

"There are many things which I know the operating end could remedy without delay, which now are causing a great deal of trouble. No doubt one of the biggest sources of our poor sheet is the apparent increased quantities of scrap that we are putting into our 28 sheet. The appearance of the drawn sheets is a direct give-away as to what is going into the metal.

"This is something I have in no way discussed with any of our customers, and have steered them off the track whenever they have brought it up, but went over it thoroughly with Mr. Yoltan, and he assured me he would discuss this at length with Mr. Hunt."

There is also to be found this complaint from a Cleveland customer, under date of May 9, 1921:

"Now \* \* \* can your inspectors pass all this up at your mills? This is an idea that I wish you could confer to your mill heads with force enough to get them to take a little interest in it and not burden us with the tremendous expense of running and handling this metal. The mere fact that we send it back for full credit don't mean anything to us, for we are out all the labor, time, and trouble of handling, which is a very expensive proposition."

It is apparent, therefore, that during the time covered by your report the Aluminum Co. of America violated several provisions of the decree. That with respect to some of the practices complained of, they were so frequent and long continued, the fair inference is the company either was indifferent to the provisions of the decree, or knowingly intended that its provisions should be disregarded, with a view to suppressing competition in the aluminum industry.

There does not appear to be much in your record touching the methods of the company since the year 1922.

In order that the department may act with full knowledge of the course of conduct of the company up to the present time I have instructed that the investigation of the facts be brought down to date by the Department of Justice.



This will not interfere in any way with any further investigation which the Federal Trade Commission may find it proper to make.

Very truly yours,

HARLAN F. STONE,  
Attorney General.

The next we hear of the matter is 29 days later when Attorney General Stone, being about to leave the department, made an outline for the information of Mr. Seymour and his successor, because Mr. Seymour was about to quit, of the course which the investigation thus ordered by him should take. At the risk of being somewhat tedious, I am going to ask the careful attention of Senators to this plan of investigation. It will be found at page 122 of the hearings and is as follows:

DEPARTMENT OF JUSTICE,  
OFFICE OF THE ATTORNEY GENERAL,  
Washington, D. C., February 23, 1925.

Memorandum for Mr. Seymour re aluminum industry.

In order that my views in this matter may be left on record, I am sending you this memorandum.

Under date of January 30, 1925, a departmental letter was transmitted to the Federal Trade Commission advising that the exhaustive report by that body concerning the aluminum and other industries, and which was prepared in response to a Senate resolution, indicated on its face that certain provisions of the dissolution decree in the case of the Aluminum Co. of America were violated during the period covered by the commission's report. Inasmuch, however, as there appeared little in the report touching the methods of the company since 1922, a further investigation by Government agents would be necessary in order that the Department of Justice might act with full knowledge of the course of conduct of the company up to the present time. Such an investigation has been ordered and is, I understand, now being proceeded with.

Pursuant to this plan I have approved of the following action:

First. That Special Agent Dunn examine such evidence and documents gathered by the Federal Trade Commission and upon which it based its report that the decree had been violated, as he may deem necessary as well as all documents and complaints filed with the commission since the filing of its report.

Second. That he visit the places of business of the companies engaged in the manufacture of aluminum products and which obtain their aluminum from the Aluminum Co. of America, including those engaged in the manufacture of cast aluminum products, and including also the places of business of companies engaged in the manufacture of aluminum products which are owned or controlled in whole or in part by the Aluminum Co. of America and make such investigation as will indicate whether the decree is being violated, and, if so, in what respects.

Third. If the evidence so examined and obtained shows upon its face any substantial violation of any provision of the decree, then Special Agent Dunn, in company with such special assistant to the Attorney General as may be assigned to this work—probably Mr. Benham—will visit the offices of the Aluminum Co., explain the charges which have been made against it, and afford the company an opportunity to make any explanation and submit any further evidence which it may wish to offer.

Fourth. When all the evidence gathered has been examined it should be assembled in a report to the Attorney General for his further consideration.

HARLAN F. STONE,  
Attorney General.

Now, it will appear therefrom that Dunn had actually begun work before the outline was drafted. As a matter of fact he had a conference with Mr. Seymour on the 9th day of February, and on the 18th day of February, four months after this report had been presented to the Attorney General, the investigation began.

In the second place, Mr. President, I want to inquire now, before we go further, why there should be any further investigation at all? If the testimony before the Federal Trade Commission showed a violation of the decree and it was there, why delay about the matter? Why not institute proceedings at once? When the Senate resolution, under which the report to the Senate comes here, was introduced it was hurriedly drawn, and I was laboring under the impression that the statute of limitations prescribed in the Clayton Act of one year was operative and that it became necessary to begin the investigation, in order to see whether there had been violations, within the period of the statute of limitations. But I was in error about that. The one-year statute does not apply at all. The three-year statute of limitations, applicable to all criminal offenses or criminal offenses generally, is applicable. So that if there were violations of the decree during the year 1922, up to the month of October, 1922, they would not be barred until October, 1925. So why delay about the matter? Why ascertain whether there had been violations since 1922 unless it was intended to

condone the offenses thus committed during the year 1922 if perchance since that time they have been discontinued?

Now, 16 months have passed since the report was transmitted by the Federal Trade Commission to the Department of Justice and no proceedings are instituted yet. So that every offense committed by the Aluminum Co. for a full period of 16 months from the month of October, 1921, to January, 1923, has been forgiven and acquitted. Every day that there is delay we run the risk of giving immunity to this great monopoly for violations of the solemn decree of the district court. There is no excuse for the delay of a day to make a further investigation if the evidence already accumulated, as declared by the Federal Trade Commission and as declared by the Attorney General, proves that the violations occurred at least during the year 1922.

This letter was not prepared by the Attorney General. It was prepared by Mr. Lott, to whom the work of conducting the investigation under Mr. Seymour had been intrusted. Mr. Lott is still in charge of the proceedings. Under him, as indicated in this outline of plan, the immediate charge of the investigation was intrusted to Mr. Benham. Dunn began his investigation and reported from time to time, as I shall presently explain, to Benham. Benham, however, at that time had been intrusted with the conduct of the prosecutions against the furniture manufacturers and the refrigerator manufacturers pending in the courts in the city of Chicago. Those cases monopolized practically all of Benham's time from the month of February, 1925, until the month of November, 1925, and most of the time he was in the city of Chicago. Bear in mind, this investigation was intrusted to a subordinate in the Department of Justice who was for the greater portion of the time a thousand miles away engaged in the conduct of two great and important lawsuits. Occasionally during the summer he came to the city of Washington, and if Dunn happened to be in Washington at that particular time the two of them conferred concerning the progress of the work to be done.

Now, I want to take up Dunn. Dunn was not a lawyer. Dunn was not an economist. He was not an accountant. He was not a stenographer. He came to the Department of Justice in 1917, went into the Bureau of Investigation, and became attached to the antitrust division in the year 1923. Prior to his coming to the department he had been engaged in office work, he told us, which, of course, means that he had no special training for any line of activity. His first work was to go to the Federal Trade Commission, in accordance with the plan outlined. The Federal Trade Commission, it will be recalled, had offered earlier, on the 17th day of October, to give the Department of Justice access to all of its files and leave to take copies of anything that it had relating to this matter; but on the 16th day of January, 1925, the Federal Trade Commission entered upon a new policy, a departure from the well-established policy and practice of that branch of the Government. The Department of Justice sent a request to the Federal Trade Commission during the month of December for all files that were there in relation to the Chicago Retail Lumber Dealers' Association, against which the department was then prosecuting proceedings. The Federal Trade Commission passed a resolution on the 16th day of January to the effect that it would give to the Department of Justice any evidence it had in relation to that matter, except such as was turned over to it voluntarily by the Chicago Retail Lumber Dealers' Association. So, when Attorney General Stone and Mr. Lott wrote the letter of January 30, 1925, they knew of the change in policy of the Federal Trade Commission, by which it refused to turn over any evidence in its possession coming from a party who was under investigation; and yet it will be remembered that there is nothing whatever stated in the letter of January 30 in relation to that condition of affairs.

But more. A letter was sent under date of February 10 by the Department of Justice to the Federal Trade Commission stating that Mr. Dunn had been designated to make the examination, and, that pursuant to its offer of October 20, 1924, he would like to have access to the files and permission to take copies of any testimony. The Federal Trade Commission on February 11 passed a resolution conformative with its new policy, offering to give the Department of Justice access to all its files except such as it had secured from the Aluminum Co. of America, notifying the Department of Justice of its action on February 19.

Bear in mind, now, that was the 19th of February. This plan of campaign of investigation was made out nine days later; but there is not a mention made in it of the difficulty that would be encountered in getting permission to examine such part of the files and records of the Federal Trade Commission as came from the Aluminum Co. of America. Bear in mind, also, that the Federal Trade Commission said it would not turn this



matter over without the consent of the Aluminum Co. of America.

No effort was made to get the consent of the Aluminum Co. of America, either directly by the Department of Justice or through the Federal Trade Commission; but, Mr. President, in addition to that, whatever power the Department of Justice might or might not have to demand and exact of the Federal Trade Commission this testimony, the Senate of the United States, which ordered the investigation pursuant to which this testimony was secured, could, upon a demand made on the commission, get the testimony, and thus make it available to the Department of Justice. The Department of Justice, however, never came to the Senate and asked its aid in getting this testimony; in other words, the Department of Justice entirely acquiesced in the refusal of the Federal Trade Commission to turn over this testimony, and made no effort of any character whatever to get it, despite the statement made in the views of the minority on this matter. The Department of Justice made no effort to get it, and Dunn proceeded with his investigation without any aid whatever from such testimony as was before the Federal Trade Commission or coming from the Aluminum Co. of America, including this matter to which I have called your attention and which the Attorney General deemed of such great importance that he incorporated it in his report; that is to say, letters passing between the officers of the Aluminum Co. at Pittsburgh and their agents in the field.

Mr. KING. Mr. President, will the Senator from Montana suffer an interruption?

Mr. WALSH. I yield.

Mr. KING. Does the Senator, before he concludes, intend to discuss the legality or propriety of the conduct of the Federal Trade Commission in promulgating the order of January 16, 1925, which was followed by a similar order with respect to the Aluminum Co. of America a few weeks later, which restricted the power of the Attorney General to investigate the files in the office of the Federal Trade Commission?

Mr. WALSH. No; I do not intend to do that. I intend to narrow this discussion, if I can, to the question of whether the Department of Justice has honestly and diligently prosecuted this inquiry. It is exceedingly important to consider at the right time the question of whether the Federal Trade Commission acted in disregard of the solemn injunction of the law in its proceedings, but that is aside from this question.

In that situation of affairs Dunn began his work. He first went to the Federal Trade Commission to examine the files there. When he went there he did not talk with a member of the commission about his inquiry; he did not talk with a single investigator of the Federal Trade Commission who had conducted the inquiry; he did not talk with any of the economists who reviewed the testimony, nor with the members of the commission which finally passed upon it. He did not take a copy of a single piece of paper before the Federal Trade Commission. He did not take a copy of a single statement made by any witness and taken down stenographically by the investigators of the Federal Trade Commission. He made notes of what there was before the commission, and, armed with those notes, and with those notes alone, he went out into the field to conduct his investigation, and when he got through with that he destroyed the notes.

More than that, Mr. President, he did not even take with him upon his investigation a copy of the report of the Federal Trade Commission itself that gave rise to the inquiry and that recited much of the important evidence that was before the commission. He offered as an excuse that the report had not been printed; but, Senators, I call your attention to what the report was. It consists of 57 pages only 14 of which deal with infractions of the decree. The work of making a type-written copy of the entire report would not occupy a copyist more than two days, and the work of copying the 14 pages dealing with infractions of the decree would not consume more than a few hours.

Worse than that, Mr. President—and hereby hangs an interesting tale—he did not take with him a copy of the most illuminating report made by a careful and intelligent investigator of the Federal Trade Commission later than the report to which I have called attention. In the year 1922, after the general investigation had been entered upon, one of the users of aluminum, a manufacturer conducting a large business in the city of Detroit and using large quantities of aluminum in his work, finding his relations with the Aluminum Co. altogether unsatisfactory, insisting that they were proceeding in violation of the decree of 1912, went to the Department of Justice and wanted them to investigate the matter. He hung around the corridors of that department for a long time until he finally became tired and went over to the Federal

Trade Commission. He laid before that commission the same condition which he had laid before the Department of Justice and wanted them to do something about it—to institute proceedings under the Federal Trade Commission act for unfair practices. The commission tried to ascertain whether the Department of Justice was going on with the investigation which he had asked them to make, and the commission delayed for a considerable time in order to allow the Department of Justice to conduct that investigation; but, despairing eventually of anything being done by the department, they directed that the complaint of this manufacturer be followed up and investigated upon their own account.

The commission sent out upon that work a fine, clever young man, a keen-minded lawyer, one I. W. Digges. He went out, and in the month of May, 1924, submitted to the Federal Trade Commission an elaborate report, to which I shall later call attention in detail, which report showed complaints of the most serious character from many of the users of aluminum throughout the country.

Dunn did not take a copy of that report. I doubt whether he knows of its existence. He never talked with Digges about whom he had seen or what he had done or sought to get any information about the matter from him. He went out upon this field of inquiry. He started on the 12th day of March, 1925, and was out in the field until the 12th day of April.

I should say in this connection that, beginning about the 18th or 20th of February, he was engaged at the Federal Trade Commission looking over that work until about the 12th day of March. It is in evidence that he spent about 10 or 12 days there at that work. The views submitted by the minority say 15 days. Well, let it go at that. All together he covered a period of about 3 weeks, 15 days of which were spent actually, according to the views of the minority, in making this examination—

Mr. GOFF. Mr. President, will the Senator permit an interruption?

The PRESIDING OFFICER (Mr. WADSWORTH in the chair). Does the Senator from Montana yield to the Senator from West Virginia?

Mr. WALSH. I yield to the Senator.

Mr. GOFF. I should like to call the attention of the Senator from Montana to page 415 of the testimony, where this question was asked:

Senator WALSH. What do you know, Mr. Digges, about any examination of the evidence thus accumulated by you by any agent or representative of the Department of Justice?

Mr. DIGGES. I think there was no examination made of that. My own recommendation to the commission was that that examination be not permitted.

Does not that explain why Mr. Dunn did not examine that record?

Mr. WALSH. Not at all. The Attorney General in his letter to the Federal Trade Commission said that he desired to have his representative examine not only the evidence taken by the Federal Trade Commission in connection with the resolution of the Senate under which it acted but also all other evidence and documents coming before the Federal Trade Commission since that report was filed. Then, Mr. President, the Federal Trade Commission itself offered to put at his disposal any information that it had, except such as came directly from the Aluminum Co. of America.

Dunn's examination began on the 18th of February. He went into the field on the 12th of March. He was out for some time, and returned on the 6th of April. He went out again on the 1st of June, and returned on the 19th of June. He went out again on the 9th day of July, and returned on the 18th of July. In all, the time covered in the examination was some four months, from March to July—that is, April, May, June, and July—four months and six days, to be exact. Of that four months and six days, he was in the city of Washington two and a half months, 75 days; he was in the field 53 days; and it took him 22 days in the city of Philadelphia to write out his report.

That report was submitted on the 10th day of August, 1925. It will interest you to know, meanwhile, just exactly what the head of the Department of Justice, the Attorney General, knew about these proceedings, what part he had in them. They are summarized in an article appearing in the New York World of January 12, 1926, which epitomizes them perhaps better than I could do. I read the article entitled:

#### GRANITE FROM VERMONT

To put this story in its proper setting it is necessary to remember only that when Attorney General Sargent took office an inquiry into the Aluminum Co. of America was pending in the Department of

Justice. The Aluminum Co. of America is a rich monopoly, tariff protected, selling millions of dollars' worth of goods to the American public annually. One of its chief owners is Mr. Sargent's colleague in the Cabinet, Andrew Mellon.

Within two months of Mr. Sargent's taking office Mr. Sargent's predecessor, Attorney General Stone, had publicly declared in a letter dated January 30, 1925, that the Aluminum Co. had "violated several provisions of the decree" of the courts against it. What happened next is told in these answers of the incoming Attorney General to questions asked him by a committee of the Senate:

How did you first hear of this affair? "There was an inquiry made by some newspaper man about it."

When? "I do not know."

What did you say to the newspaper man? "I think I told him I did not know about it."

Do you know whether or not you told him you were aware of the existence of the Stone letter? "I think I told him that I did not know anything about such a thing."

How, then, did you hear of the Stone letter? "Somebody, at some time, asked me if such a letter had been called to my attention."

Who? "Newspaper men."

When? "I never knew definitely about it until I had been there five or six or eight months." (That is, August 19 or September 19 or November 19.)

The above answer amended: It may have been even later? "That might be so."

The above answer once more amended: "My attention was called to the matter as early as March 25."

Well, whenever you did hear of it, what did you do next? "I spoke to Colonel Donovan several times."

When? "I do not know."

When was the first time? "I do not know."

When was the last time? "I do not know."

Did you ask Colonel Donovan to go to the Federal Trade Commission for the data which the commission had, and do you know if the commission gave Colonel Donovan any evidence, documentary or otherwise? "I can not say. But I remember this one thing: That some of them told me about going over there and getting some files."

Is that about as definite as you can put it? "That is about as definite as I can put that."

Well, can you tell us, then, how much of the Trade Commission's data your office ultimately did receive? "I could not tell you."

Did you make any inquiry about that? "I have not."

You can't tell us whether, since the Stone letter was written, there has been any correspondence between your department and the Trade Commission on the subject of this data? "No; I am not sure there has been any correspondence since that date."

Did you make any effort on your own part to obtain this data? "Personally I have done nothing."

Did you ever read the report of the Trade Commission to which Attorney General Stone referred? "I have read so much of it. I have not read it all the way through."

Did you know that the Trade Commission voted not to turn over to your office the information it had obtained from the Aluminum Co.? "What is said there is something that I never heard of until now, until you read it."

If the Trade Commission can hold back data this way, what good is an investigation? "I can not tell you. I have never undertaken to work the thing out."

Do you think the commission itself should be left the sole judge of whether it need or need not turn over any information? "I suppose somebody must have the authority to review the matter."

Who? "I suppose the question could be determined by some proceeding to find out whether they shall surrender it or not."

How would you go about it? "I do not know. I do not think it has been tested out."

Any hope left that you will ever obtain that information? "I have not formed any purpose about it."

Why? "This thing never was called to my attention until yesterday. I do not know the law on the subject."

And yet, despite all this, when Mr. Sargent had been six days in office he instructed his subordinates to talk to him about aluminum "before any action whatever is taken or any publicity given."

The Stone letter will be 1 year old two weeks from Saturday. Perhaps Mr. Sargent may not be aware of that. It may not have been called to his attention. He remains, meantime, the Attorney General of the United States and the chief bulwark of the average man against predatory trusts. And he assures us—

"I go to my office at 8 in the morning and stay to 7 at night and devote my entire attention to seeing that things go right."

Mr. President, I have now called your attention to the fact that the Dunn report was handed in on the 10th day of August, 1925. His conclusions are expressed in a few brief paragraphs, which I desire to read:

#### RESULTS OF THE INQUIRY

Generally speaking, this inquiry has not disclosed that any of the practices on the part of the Aluminum Co. of America, heretofore complained of, are now followed by that company.

Bear in mind, the language is, "are now followed by that company. Of course, if they were followed at any time within three years there would be a violation of the decree; but he says they are not now followed by that company."

Mr. PITTMAN. What is the Senator reading from?

Mr. WALSH. I am reading from the report of Dunn, the man who, as I told you, was neither a lawyer, an economist, an accountant, nor a stenographer; the man who went out and spent 53 days in the field and 75 days in the city of Washington, and took 22 days to make his report, which was the result of 53 days' study in the field.

Generally speaking, this inquiry has not disclosed that any of the practices on the part of the Aluminum Co. of America, heretofore complained of, are now followed by that company. Moreover, from statements made to me by various individuals there is reason to believe that some of the complaints, previously made, were not genuine and reasoned complaints, but were, on the other hand, inspired by hysteria and a purpose to stimulate by any means service on the part of the Aluminum Co. of America. \* \* \*

In any event, it is now the unanimous opinion of all individuals interviewed that for the past three years conditions with respect to metal supply have been entirely satisfactory. All agree that ample supplies of aluminum are readily obtainable under satisfactory conditions as to delivery.

Now, I want to read you Digges's report of May 24, 1924, the report of a lawyer, made just before and covering exactly the same period. I read from his report, which we got through the order of the Senate made 10 days ago, directing the Federal Trade Commission to transmit to the Senate everything it had on this subject.

He says:

Your attorney will conclude that the Aluminum Co., its officers, and the United States Aluminum Co., a subsidiary of the Aluminum Co., have combined together to put into effect, and have actually put into effect, a policy which will result in the elimination of independent sand-casting foundries. The component parts of this policy have been:

- (1) Lease of Aluminum Manufacturers (Inc.) for a 25-year period.
- (2) Price discrimination in favor of Aluminum Manufacturers (Inc.) and against independent foundries.

The Aluminum Manufacturers (Inc.) is one of the subsidiaries controlled by the Aluminum Co. of America.

- (3) Discrimination in deliveries against certain companies.
- (4) Cornering the market for secondary aluminum.
- (5) Taking business below cost in the foundry department.
- (6) Refusing to sell certain competitors in fabricated parts their necessary requirements of the raw product.
- (7) Entering into some sort of a working arrangement with foreign producers.
- (8) Price discrimination in favor of manufacturers' foundries and against independent foundries.

The theory on which the recommendation will be based is that where there exists a monopoly in a fundamental commodity, and the officers of that monopoly, either directly or through subsidiary companies, combine together to eliminate the customers of the monopoly, with whom the monopoly is in combination, the situation is the same on principle as where competition exists in the sale of the commodity and there is a combination among parties of adverse interest to restrain trade. The reasoning will be that of public policy.

Mr. SMITH. Whose report is this?

Mr. WALSH. This is the report of Mr. Digges, who made the investigation for the Federal Trade Commission just before Dunn made his investigation.

I shall call your attention a little later to the fact that Digges interviewed a large number of producers whom Dunn never even visited, and I shall tell you what they said, to apprise you as to whether everything is perfectly satisfactory with the users of aluminum in the United States.

I want to follow, however, the work of the Department of Justice.

The Dunn report coming in on the 10th day of August, in the following month of September a letter was sent to Mr. Davis, the president of the Aluminum Co. of America, asking him to come in for a conference. He did not come in until the month of October, and when he came in he was asked whether he was willing to allow the books and records of the Aluminum Co. of America to be examined by the agents of the Department of Justice, and he answered that he was.



Of course—what else could he do? To refuse access to them would be practically an admission of guilt upon his part.

Bear in mind that in the month of October he signified his perfect willingness to have these books and records examined; and, of course, it is presumable that if he had been asked in the month of February or March, he would have permitted the examination to be made before Dunn went out at all, and there would not have been any trouble about the refusal of the Federal Trade Commission to allow this testimony to be examined.

There is another matter to which attention should be directed. If the Department of Justice had proceeded promptly after it got a copy of this report on the 17th day of October and had sent at once an attorney to examine the files before the Federal Trade Commission, as the Attorney General said would be done by his letter of October 22, in all probability there never would have been any trouble about getting the evidence that was furnished by the Aluminum Co. of America, because the reversal of that policy did not take place until the following January.

Davis agreeing in October to allow the books to be examined, in the month of November Dunn and Benham were sent to Pittsburgh to make the examination. Bear in mind, the Dunn report came in in August. Benham was engaged in litigation out in Chicago, busy until the month of November, and the examination of the books did not commence until three months after the Dunn report came in. Then they made an examination of the books until sometime early in December, when an accountant whom they had secured for aid in the matter desired to have some tables prepared by the Aluminum Co. of America, which were furnished in the month of January, and the investigation was resumed on the 4th day of January of the present year.

So 16 months have gone by, as I have heretofore stated, since this report came to the Federal Trade Commission, and every act in violation of this decree during that long period from October, 1921, until February, 1923, has been condoned and forgiven to the Aluminum Co. of America. Sixteen months this examination has taken so far, and the end is not yet, for we have no report upon it. But away back last spring Mr. Lott, under whose direction this examination was to be conducted, said that he expected it would take about two months to complete it. I read from a memorandum prepared by Mr. Lott for the information of Colonel Donovan, under date of April 8, 1925, which appears at page 421 of the record as follows:

I am advised that the Washington Star of last evening carried a story to the effect that the investigation of the aluminum industry had been completed and was ready for report.

Already, Mr. President, away back in the month of April last the public had become interested in the delay of this investigation, and a rumor was current that the report was forthcoming. He continues:

I did not see the article. I have not given out anything whatever upon the subject, nor will I do so; my duty being to make report to you. The fact is that the investigation has not been completed and it may require two months in which to complete it.

It has taken those 2 months, and it has taken 10 months more, and is not yet completed.

The Federal Trade Commission had the Digges's report before it. They felt that it was desirable that they go forward, but they did not want in any wise whatever to embarrass the Department of Justice, and they were withholding action upon the Digges's report to await the determination of the matter by the Department of Justice. So they sent their chief counsel to the Department of Justice to ascertain from them how soon they would be likely to complete their investigation and go forward with the proceedings, if they were to institute them. The chief counsel came back and reported that he had had a conference with Mr. Lott—this is under date of May 11, 1925—and he said:

Mr. Lott stated that he expected the investigation to be completed and his final report in the case made within six weeks.

On the 2d of January last, no report having been made upon the matter, the Assistant Attorney General, Mr. Donovan, gave to the press a statement, as follows:

The department has sought through all available channels to ascertain all facts connected therewith and has embraced in its inquiry interviews with customers and competitors of the Aluminum Co. of America, together with interviews with its officials and a careful examination of its record, particularly such records as would reflect the truth or falsity of the complaints which have been made. Although this inquiry is not yet completed and the report is yet to be prepared,

it may be stated that the facts thus far disclosed do not support the oft-repeated charge that the decree in question has been violated.

When the investigation is terminated and the final report is received, which it is expected will be within the next three weeks—

That was on the 2d of January last—

the Attorney General will finally decide whether the facts disclosed warrant any action either under the decree or by the way of a new proceeding and will make known his conclusions. The foregoing statement, however, reflects the situation as it appears from the data thus far obtained.

Mr. CUMMINS. Mr. President—

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Does the Senator from Montana yield to the Senator from Iowa?

Mr. WALSH. I yield.

Mr. CUMMINS. I may say that I am informed by the Department of Justice that the investigation has been completed, that the report has been made, and that the Department of Justice has reached a conclusion with regard to this matter.

Mr. WALSH. So I observed by the report filed by the Senator this morning. It has reached the conclusion that there has been no violation of the decree.

Mr. CUMMINS. It is not in the report I filed. I have the conclusion in my hand, which I will present when the proper time comes.

Mr. WALSH. I want to invite attention to a few things mentioned in this statement. In the first place, reference is made to this sentence:

Although this inquiry is not yet completed and the report is yet to be prepared, it may be stated that the facts thus far disclosed do not support the oft-repeated charge that the decree in question has been violated.

Who made this oft-repeated charge? It was made by the Federal Trade Commission in the first instance, by four of the five members of the Federal Trade Commission, two of whom were Republicans, the other member not being present at the time.

Who else was it who made this charge, and repeated it? It was made by John L. Lott, who drafted the letter of Attorney General Stone of January 30, 1925, the man who to-day is in charge of the proceedings.

It was made, sir, by Harlan F. Stone, the Attorney General of the United States, now Associate Justice of the Supreme Court of the United States. Those are the sources from which this charge emanated, and by whom it was repeated.

Mr. GOFF. Mr. President—

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from West Virginia?

Mr. WALSH. I yield.

Mr. GOFF. Is it not a fact that the statements to which the Senator from Montana has just referred were based entirely upon the report of the Federal Trade Commission, and not on any investigation independent of that source?

Mr. WALSH. I presume so. I do not know of anybody who knew anything about it except the Federal Trade Commission and the Department of Justice.

Mr. GOFF. I thank the Senator. That answers my question.

Mr. WALSH. I suppose probably every newspaper in the country which carries Associated Press dispatches repeated this story. But why should it be mentioned by the Attorney General of the United States, or the Assistant Attorney General, that it was an oft-repeated charge that was not sustained at all?

I want to call attention to a few features of this. It states:

Although this inquiry is not yet completed and the report is yet to be prepared, it may be stated that the facts thus far disclosed do not support the oft-repeated charge that the decree in question has been violated.

Bear in mind that at that time the investigation of the books and records of the Aluminum Co. of America was suspended. It had been conducted from the month of November into the month of December, and on the stand the Attorney General was obliged to admit that until the examination of the books and records of the Aluminum Co. of America had been completed, it would be impossible to tell whether there had been any violation of the decree with respect, first, to cancellation of orders; second, refusal to promise shipments at a definite date; third, delay in shipments as between seasons; and, fourth, dumping after foreign purchases.

He was utterly unable to say whether there had or had not been a violation of the decree with respect to any one of those four charges. Yet in this public statement he tells the country that the evidence thus far taken discloses that there is no

foundation for the oft-repeated charge that there has been a violation of the decree.

I call attention to the conclusion of Dunn and the conclusion of Digges. Digges's investigation was conducted with reference to specific charges relating particularly to unfair practices in the matter of production and sale of what are known as sand castings. That is to say, his testimony was gathered on the second investigation conducted by the Federal Trade Commission and not along the general line that had been followed by the commission as a result of which it made this report, volume 3. But they did, as a matter of fact, cover exactly the same thing; that is to say, in following out the question as to whether a violation had occurred, Dunn is supposed to have covered the feature of sand castings, just as Digges is.

I want to show that Dunn and Digges covered exactly the same field, Dunn reporting no complaints whatever; and then I will show what Digges found. Dunn says in his report, as found on page 240, as follows:

Investigation of conditions in the sand-casting phase of the aluminum industry was not so comprehensive as in the case of the aluminum utensil industry, though such inquiry as was made did not indicate that there was at that time any complaint as to the activities of the Aluminum Co. of America in this phase of the industry, nor did such inquiry as was made disclose any information which would indicate that the Aluminum Co. of America was pursuing any methods which would indicate an attempt on its part to control or dominate the scrap aluminum market.

Then he continued:

It is my belief that much of the information upon which the Trade Commission based its recent complaint against the Aluminum Co. of America was acquired during its earlier inquiry in connection with the work done in response to the Senate resolution above referred to, and having in mind the information furnished in response to an inquiry made by this department during the early part of this year it is quite possible that practices are charged against the Aluminum Co. of America which have, as a matter of fact, been long since discontinued. It should be noted here that none of the information or evidence underlying the Trade Commission's recent complaint has been made available to this department.

"None of the evidence underlying the Trade Commission's recent complaint has been made available to this department"; but, Mr. President, the Attorney General demanded it, the Federal Trade Commission offered it, and if it was not made available it was simply because Mr. Dunn did not call for it.

I want to read from the plan of inquiry outlined by Stone under date of February 28:

First, That Special Agent Dunn examine such evidence and documents gathered by the Federal Trade Commission and upon which it based its report that the decree had been violated, as he may deem necessary, as well as all documents and complaints filed with the commission since the filing of its report.

I now read from the letter of the commission offering to turn this over, under date of February 19, 1925, as follows:

The commission will be glad to furnish the information requested, and will afford Mr. Dunn every facility in his examination of the files, except that the information and evidence which was furnished voluntarily to the commission by the Aluminum Co. of America, including information and evidence from its files, will be made available only upon the consent in writing of the Aluminum Co. of America that the material voluntarily furnished by them be made available to the department.

That is the only reservation the commission made.

Mr. President, it becomes important to consider how much credence is to be placed in the Dunn report as to whether there was any violation of the decree as disclosed by the evidence before us.

I called attention at the outset to what Attorney General Stone conceived to be evidence entirely conclusive that the Aluminum Co. of America had been sending to customers defective material, which it must have known was defective at the time it was sent. That was established not by evidence of witnesses by word of mouth but actually by letters passing between the agents of the Aluminum Co. in the field and the home office at Pittsburgh. But in that report there is another thing to which I direct attention. At page 44 of the hearings will be found the following, quoted from the report of the Federal Trade Commission, which was sent to the Attorney General:

Delays in deliveries: A prominent manufacturer of cooking utensils made the following statement in August, 1923, quoting from the stenographic report of the interview:

"Deliveries have been very poor this year. In 1919 they almost broke us. \* \* \* We were closed down 20 per cent of the time, and in 1920 we only ran one full month, \* \* \*. They are now making 60-day deliveries. They have been making 60 to 90 day deliveries since last September. The deliveries are absolutely out of our hands and we have no say. \* \* \* I know of one instance where metal that was bought in February has not been delivered yet."

This was in August, 1923.

The purchasing agent of another company informed the commission that deliveries were not made as stipulated in the contracts and, moreover, that it was difficult to get any authoritative information on one's orders. He further stated that he had never been able to determine whether this was purposely done or resulted from the large volume of business as a result of which they were unable to keep in proper touch with their various branches.

Bear in mind that under date of August 10, 1925, Dunn reported that for the last three years there had not been any cause for complaint at all. What about this prominent manufacturer who tells these things? What about this sales agent who told these things to the investigator of the Federal Trade Commission who took the statement down stenographically? Why, Dunn does not know anything about them. He did not take a memorandum from the records of the Federal Trade Commission as to who the prominent manufacturer was nor who the sales agent was, nor did he interview them with respect to the charges that are made by them at all.

Now, with reference to delays in delivery, the Federal Trade Commission report states that they tried to get from the Aluminum Co. of America tabular statements showing the promptness with which they filled orders for aluminum. They were able to get information from the Aluminum Co. of America only with reference to seven particular customers, and then only for the year 1922 and the first six or eight months of the year 1923. They got no information from the Aluminum Co. of America concerning deliveries in 1920 and 1921, when confessedly there was great delay in the deliveries, but they got the information with reference to 1922.

They asked for information showing the time that the deliveries were made, first, within 30 days of the time when the orders should have been filled—that is, during the month when they should have been filled; but the returns came in from the Aluminum Co. of America only with reference to shipments during the month when the orders were to be filled and the following month—that is to say, within two months—and the records at page 45 are tabulated thus:

For the 12 months of 1922 only 66.26 per cent of the Aluminum Co.'s obligations were shipped in the month when the obligation matured or within one month thereafter. Only 25 per cent of the obligations were shipped in the second month after maturity, and 7.69 in the third month.

The next table shows that the record for the first six months of 1923 was somewhat better, approximately 75 per cent of the obligations having been shipped in the month due or within one month thereafter, 1.77 per cent in the second month, and 6.60 in the third month.

It will be understood as a matter of course, Mr. President, that the users of aluminum, the manufacturers of goods into which aluminum enters, were obliged to make their contracts by which they agreed to deliver their products at a definite time, and they could not get the raw material with which to manufacture the goods to fill their orders within 30 days, within 60 days, within 90 days, and in some instances within 6 months of the time when they were in need of the material.

Mr. GOFF. Mr. President—

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from West Virginia?

Mr. WALSH. I yield.

Mr. GOFF. Will the Senator refer to the page of the record from which he was reading?

Mr. WALSH. Page 45. For instance, one of those companies during the year 1922 got only 57.09 per cent of the quantity which it had ordered within the month that it was due or within the following month. Another company got only 55.15 per cent of the quantity which it ordered within the month that it ordered or within the following month.

Mr. CUMMINS. Mr. President—

The PRESIDING OFFICER (Mr. COUZENS in the chair). Does the Senator from Montana yield to the Senator from Iowa?

Mr. WALSH. I yield.

Mr. CUMMINS. That statement is material only if there be discrimination shown, I suppose?

Mr. WALSH. Not at all.



Mr. CUMMINS. It is no violation of the decree for the Aluminum Co. of America to fail to fill its orders if it was unable to fill its orders and if it treated everybody alike.

Mr. WALSH. Yes; if it was unable to fill its orders there was no violation of the decree. I am proceeding to establish that it had abundant ability to fill its orders.

Mr. CUMMINS. Nothing so far has shown that.

Mr. WALSH. Certainly not; but I can not do everything at one time.

Mr. CUMMINS. I am not criticizing the Senator.

Mr. WALSH. I am going to establish by its own record that the Aluminum Co. of America had a superabundance of capacity to fill the orders, so much so that it applied to the Commissioner of Internal Revenue for an amortization allowance of a very considerable amount, because it had expended its capacity during the war to meet war conditions beyond the capacity that was necessary in ordinary peace times. We will come to that in just a moment.

Another feature about the delay is that in the months when business was slack and there was no particular hurry about the matter then the product would come along in great quantities, but during the peak months, when the demand was great, deliveries would fall down. For instance, at page 67, we have the same companies during the slack periods, one of them getting 91.56 per cent of its orders within the month or the month following when it was due and another getting 87.54 per cent, but during the peak period the company first mentioned got only 37.02 per cent of its orders filled, and the company second mentioned got only 30.28 per cent.

Now, about the capacity to fill orders. I read from page 44 of the hearings, being the Federal Trade Commission's report:

E. K. Davis, the sales manager of the Aluminum Co. of America, stated in an interview that that company was unable during the early part of 1920 to meet the demands of its customers. He stated further that their sheet mill at Alcoa, Tenn., was completed in August, 1920, and that since that time they have had ample sheet capacity to take care of any demands that might be dumped upon them.

The figures I gave were for the year 1922 and the first six months of 1923, when, according to the statement of the sales manager of the Aluminum Co. of America, they had capacity to take care of any orders that were dumped upon them, however great they might be.

But the president of the company, Mr. A. V. Davis, had an explanation to make, which was as follows:

When questioned regarding the ability of the Aluminum Co. of America to supply all the sheet metal required by the different industries, A. V. Davis, president of the Aluminum Co. of America, made the following statements, quoting from the stenographic report of the interview:

"In the first place, unless you get clearly into your head the difference between a shortage of ingot and a lack of rolling-mill capacity, you do not comprehend the situation at all. There never has been a shortage of rolling-mill capacity on our part. \* \* \* Whatever shortage there has been in the sheet business is a reflection of the shortage in the ingot business.

That is to say that the material comes out of the smelter in the shape of ingots and then goes into the rolling mill and is rolled into sheets. Confronted with the statement of the sales manager that they had ample capacity for 1920 to meet all demands, we have an alibi: They have ample sheet capacity, but the ingot capacity is lacking, apparently; the smelting capacity is lacking. The bauxite is treated just the same as any other ore, by concentration and smelting, I assume, and is made, as I stated, into ingots. Of course, in expanding a plant for war purposes it would be just as necessary to expand the ingot capacity as it would to expand the sheet capacity, and unless these people are governed by principles of trade and development different from those that actuate people generally they would expand their facilities, as a matter of course, harmoniously, so as to make a finished plant. It appears they did so. So we have here in the Digges report an interview with Robert Byrnes, in charge of the New York office of the Aluminum Co. of America, at 120 Broadway. The report says:

Mr. Byrnes was then asked if during the last three years Al. Co.—

That is an abbreviation for Aluminum Co. of America—had operated to capacity in the production of ingots.

That was January 18, 1924. Three years back would be January 18, 1921.

Mr. Byrnes was then asked if during the last three years Al. Co. had operated to capacity in the production of ingots.

This question he answered in the negative, and stated that at one time Al. Co. was forced to carry a 30,000,000 surplus in ingots, due to the entire lack of demand for this metal.

Not only were they able to meet every demand for ingots, but they were obliged to carry an extraordinarily high quantity in stock because of the lack of demand.

This brings us to the interesting story of the application for amortization before the Commissioner of Internal Revenue, the whole story of which was told in the Couzens report. The Aluminum Co. of America made an application before the Commissioner of Internal Revenue for a reduction in the amount of taxes with which they were charged, averring that, in order to meet the extraordinary demands of the war, patriotically they had expanded their plant, extended their facilities to such a degree that their plant was away beyond the capacity of ordinary peace times, and that having done this merely to help out in the war, they ought to have a credit for it in their taxes.

Mr. KING. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Bayard	Fess	McKinley	Sackett
Bingham	Frazier	McMaster	Sheppard
Blease	George	McNary	Shipstead
Bratton	Gillett	Mayfield	Shortridge
Brookhart	Glass	Metcalf	Smith
Bruce	Goff	Neely	Stephens
Butler	Gooding	Norris	Swanson
Cameron	Hale	Nye	Trammell
Capper	Harris	Oddie	Tyson
Couzens	Harrison	Overman	Wadsworth
Cummins	Heflin	Pepper	Walsh
Curtis	Howell	Phipps	Warren
Dale	Jones, Wash.	Pittman	Watson
Duncan	Kendrick	Ransdell	Weller
Edge	King	Reed, Pa.	Wheeler
Ernst	Lenroot	Robinson, Ark.	Williams
Ferris	McKellar	Robinson, Ind.	Willis

Mr. REED of Pennsylvania. I desire to announce that the Senator from Utah [Mr. SMOOT], the Senator from Connecticut [Mr. McLEAN], the Senator from North Carolina [Mr. SIMMONS], and the Senator from Rhode Island [Mr. GERRY] are detained from the Senate, being engaged on a conference committee.

The PRESIDING OFFICER. Sixty-eight Senators having answered to their names, a quorum is present.

Mr. WALSH. Mr. President, the Aluminum Co. of America represented that it had expanded its capacity during the war in order to meet demands of that time, so that it had a capacity to produce annually 156,000,000 pounds of aluminum, while the average postwar demand or consumption was not in excess of 87,000,000 pounds; that is to say, that only 56 per cent of its facilities were in use while 44 per cent remained idle. It therefore asked a credit by way of amortization to the amount of \$6,852,000. Subsequently it concluded that that was not enough and amended its demand, so that finally it reached the sum of \$18,124,000. It secured an allowance for amortization upon this account of \$15,152,000. Then it came back again and increased its demand until it eventually became \$18,268,000. The claim was finally adjusted by making an allowance of \$15,589,000 on account of overcapacity.

The Digges investigation, as I have stated, concerned itself with the subject of sand castings. For the purpose of making products of this character, automobile crank cases, and other material of that character scrap was used to a very large extent. That is to say, in all manufacturing establishments using the sheet aluminum, in cutting out the material, as in a tailor shop, a large quantity of the material becomes useless and drops to the floor and is gathered up. There were a considerable number of establishments in the country which bought up this scrap from the various manufacturers, remelted it, and then rolled it out and sold it in the market in competition with the Aluminum Co. of America to any manufacturer who might want to buy that instead of buying the virgin sheet metal. Thus there was a considerable competition developed in the sale of sheet metal to the various manufacturers.

This is by no means an inconsiderable quantity. In a public statement given to the press on September 27, 1924, Mr. Andrew W. Mellon—who, I believe, it is understood generally is the dominant factor in the Aluminum Co. of America, practically the whole thing being owned, according to the Federal Trade Commission's report, by himself and his brother, Mr. R. B. Mellon—gave out a statement to the effect that the scrap material turned into sheet constituted about one-third of all of the sheet metal on the market, as I understand his statement. This is what he said about the matter.



Discussing the opportunities of American manufacturers to supply themselves with aluminum from abroad, he continued:

In addition, scrap aluminum, constituting at least a third of the metal used, is entirely beyond the control of the manufacturer of aluminum ingots. No monopoly in the aluminum industry exists.

But if it did not exist at that time, Mr. President, it exists now; and it exists now because the Aluminum Co. of America deliberately resolved upon a plan to put the purchasers of scrap and the producers of ingots from scrap out of business. This is disclosed by the following letter from Mr. Edward L. Cheyney, in charge of the office of the Aluminum Co. of America at Cleveland, Ohio. I read from a photostatic copy of that letter under date of September 9, 1922, addressed to Mr. Edward K. Davis, of the Pittsburgh office. He says:

I was in Detroit last Friday and spent most of the day talking to Byrnes and Youngs about the feasibility of our controlling the market on aluminum scrap and the advantages to be gained to us, and principally to our sand-casting business, by boosting the price of scrap as close to the price of new metal as possible. I described a scheme to you when I was talking to you in Pittsburgh, and it involves nothing more than deciding for ourselves upon an arbitrary differential between the price of new ingot and the price of reclaimed scrap, and in buying enough scrap ourselves for use in the castings plant to put the price of scrap to that level and to hold it there.

The effect will be to put all jobbing foundries, including our own, on the same metal level; to permit us to take full advantage of the products of the recovery plants at Niagara Falls and at Cleveland; and to permit us also, by means of the products of these recovery plants, to offset, where necessary, any peculiar advantages in manufacturing conditions that some of our competitors may enjoy.

I outlined the scheme to Byrnes and to Youngs, and for half a day we tried to pick flaws in it, and the only possible flaw that any of us could see in the scheme rested in the fact that none of us were quite certain as to the relation between the total tonnage of scrap offered for sale and the tonnage of casting business offered by the trade.

I talked this feature of it over with Mr. Head, who was of the opinion that scrap prices could be held up to an arbitrary level by the purchase of perhaps considerably less than half of that which is offered.

I would like to sit in a meeting one of these times, called for the purpose of throwing stones at this idea, and then if nobody can smash it I would like to see the management proceed with it.

EDWARD L. CHEYNEY.

You will understand, Mr. President, that the price of scrap, of course, is considerably below the price of virgin metal. In the first place, it is not so desirable; in the second place it costs, as a matter of course, considerable to handle it; so that it is always quoted at a price considerably below the ingot price. The proposition is, however, to shove the price of scrap up until it nearly reaches the price of ingot, and then the users of aluminum will prefer to buy the ingot rather than to buy the scrap, and those who relied upon the use of scrap will find none for sale at all. Moreover, they go into the business themselves of using this scrap, and they offer a price for it approaching the price of the virgin ingot, and therefore they get all the scrap away from the people who otherwise would buy it and use it in their manufacturing establishments.

I want to show you how completely that plan, so outlined, was carried out, to the destruction of those who theretofore had been able to maintain their business by going out into the open market and purchasing scrap. It was accomplished by some clever contracts with great users of aluminum, the manufacturers of automobile bodies. They made a contract with the Budd Co., as shown by the Digges report. Referring to the scheme outlined by Cheyney, Digges says:

Under this division of the report your attorney will show that the Aluminum Co. apparently found the scheme just outlined entirely agreeable and proceeded along the lines suggested.

The Budd Co., which makes aluminum bodies for Ford sedans, had to offer the best scrap in large quantities obtainable in the United States, and Budd purchased his virgin aluminum from the proposed respondent. This scrap amounted to between 350,000 and 500,000 pounds per month of high-grade clippings. The Aluminum Co., in order to insure the return of these clippings, which formerly had been sold to Bohn, Waltz, and Dochler—

These were manufacturers who theretofore had gone out into the open market and bought the scrap and had been accustomed to get considerable quantities of scrap from the Budd people—

which formerly had been sold to Bohn, Waltz, and Dochler, gave a price concession on sheet to the Budd Co. in exchange for an

agreement to return all secondary metal to the Aluminum Co. So that Budd might be prohibited from "jobbing out" aluminum sheet to cooking-utensil manufacturers, "scrap" was defined as follows.

This is from the contract between the Budd Co. and the Aluminum Co. of America:

All material that does not go into Ford stampings is to be considered scrap and is to be returned to us briquetted in dimensions of not over 6 inches by 12 inches by 24 inches.

The Budd Co. was forced into this agreement against its will, and its representative has stated that the price paid for the scrap was greater than its commercial value; in his opinion it was another step by the Aluminum Co. in the direction of obtaining control of the world's supply of aluminum and of forcing independents to the wall. The first contract, which was entered into about a year ago, covered the purchase of clippings at 22.33 cents per pound f. o. b. Philadelphia; the last one was for clippings at 23.33 cents per pound. These figures represented 90 per cent of the market for virgin aluminum. Mr. Mueller pointed out that the Aluminum Co. officials had testified before the Ways and Means Committee of the House of Representatives that 18 cents was the cost of producing virgin aluminum, but that nevertheless they were willing to pay over 23 cents per pound for secondary metal in order to keep it out of the hands of competitors. The Budd Co. has found "life too short to deal with a monopoly infinitely more arbitrary than the steel people," and on July 1 of this year will cease using aluminum.

Then they went after the Fisher Body Co.

The Fisher Body Co., a General Motors subsidiary, and a very large user of aluminum sheet, was also "lined up" and its secondary metal removed from the market by the same method—a price concession on sheet in exchange for a contract for the return of secondary metal. December 12, 1922, the Aluminum Co. entered into its first contract with the Fisher Body Co. This was three months after the letter adverted to—

That is, the Cheyney letter of September 9, 1922—

for the purchase of scrap at 20 cents per pound. This contract covered all scrap to be developed by the Fisher Body Co. during the first six months of 1923. A subsequent contract for scrap at 22 cents per pound, covering all scrap to be developed during the last half of 1923, was later entered into between the same parties. The Fisher Body Co. likewise had been selling scrap to the Bohn Foundry.

By a series of contracts entered into with the Schram Glass Manufacturing Co., of St. Louis, between the dates of January 30, 1922, and November, 1923, the first-named company agreed to sell to the Aluminum Co. between 1,760,000 and 1,885,000 pounds of baled aluminum clippings at prices ranging between 16 cents per pound and 22 cents per pound.

They made similar contracts with the Wilson Foundry Co., with the Hudson Motor Car Co., with the Continental Motors Co., with the Pierce-Arrow Motor Car Co., and with other companies.

The conclusion of Digges with respect to these matters is expressed thus:

Why would the Aluminum Co. wish to control secondary aluminum? Whatever the purpose might have been, the results are these: (1) Because of a comparative lack of foreign competition, and no foreign competition in price, it is able to maintain the price of virgin aluminum at its own arbitrary figure. Since the Bohn Co. stopped selling foreign metal, the price has advanced from 21 cents per pound to 27 cents per pound. That has taken place within a period of less than two years. (2) Comparatively cheap metal is kept from foundries competing with the Aluminum Co. (3) The Aluminum Co. can and does control the sale of substantially all raw aluminum produced in the United States.

The interviews show very clearly that wherever scrap was being offered in sufficiently large quantities to affect the trend of the market, the Aluminum Co. stepped in and made either a restrictive agreement for its return to the Aluminum Co. or bid prices so high that independents could not pay them and stay in business.

Reference is made to interviews to which your attention will be called.

There is no scrap on the Detroit market. General Motors, through subsidiary corporations, has returned scrap to the Aluminum Co. because the latter company was willing to pay more for it than it was worth to the foundries of General Motors.

As to secondary aluminum he says:

The policy of the Aluminum Co., reasonably inferred, must have sought to accomplish three results in the secondary aluminum market: (1) To control the sale of every pound of aluminum in the United States. (2) To maintain at an arbitrary figure the price of virgin aluminum. (3) To keep secondary aluminum out of the hands of



independent manufacturers. The second and third propositions are corollaries of the first; by the accomplishment of the first result there would be little difficulty in achieving the second and third.

To arrive at a successful achievement of the purposes above stated the following methods were employed:

(1) The Aluminum Co. forced up the market for secondary aluminum to a point so near the virgin market that it became more economical for independent foundries to purchase new metal.

(2) The Aluminum Co. purchased secondary metal in excess of its legitimate requirements in order to remove it from the market.

(3) The Aluminum Co., although admitting that the demand for virgin aluminum during the past three years has not been sufficient to keep its plants in full operation, nevertheless has made restrictive contracts for the return of secondary metal at prices much higher than the cost of making virgin aluminum, and has gone to the former sources of supply of independent foundries and bought in secondary metal at prices that would make remelted metal cost substantially more than the new product.

The Aluminum Co. of America enjoys a domestic monopoly in the smelting of virgin aluminum; it, however, has not enjoyed a monopoly in the secondary product, which is a different commodity, and has its own market. The practices above described have enabled the proposed respondent to obtain a corner on the secondary metal, and have contributed still more to the embarrassment of independents.

These exactions and these practices became so generally obnoxious that the manufacturers using aluminum have endeavored to associate themselves together in what is known as the Aluminum Institute, with a view to presenting a united front, if possible, to these aggressions upon their business.

A man by the name of Harwood, of South Bend, Ind., was active in endeavoring to organize this association, and he addressed a letter under date of December 21, 1923, to another by the name of Root, urging him to go into this matter with him, stating as follows:

DEAR MR. ROOT: I am very glad to have your favor of December 17, but regret to state that Mr. Fulton and I are of the same opinion regarding the further attempt to cooperate with the Aluminum Trust in the promotion of the aluminum business. In fact, two very definite events have occurred since we last wrote you to prove the futility of such a plan. These are the reduction of the price of castings by the foundries belonging to the trust and the increase in the price of the ingot by the trust itself. In other words, it seems evident that the Aluminum Co. of America is now taking another step toward the completion of their plan to acquire complete control of all phases of the aluminum industry. \* \* \* We want it definitely understood that though we are swallowing the medicine of the Aluminum Co., it is bitter, and we do not like it.

We buy from them under protest and we look forward to the time when there will be competition and no need of an aluminum institute. In this connection I might say that the Aluminum Co. of America appears to be getting the desired results in Indiana, as we have received notice this week of five aluminum foundries being forced out of business. Besides these we are informed that the largest aluminum foundry in the State next to ourselves is entirely shut down.

Then Root answered Harwood, under date of December 21, 1923, as follows:

I guess all of us are just about sick of conditions as they exist in the trade, and while your judgment may be correct in your feeling that the institute may not accomplish good results, yet we who have joined it all feel certain that it can do no harm. It may be the case of a crowning man clutching at a straw, but we all want to give it a fair opportunity, and then if it proves a failure, we might just as well all of us close up.

MR. SWANSON. What is the date of that?

MR. WALSH. That is December, 1923. That is to be considered in connection with the Dunn report, which stated that there was no complaint whatever from the manufacturers using aluminum in the United States, and that for the last three years everything has been perfectly lovely between them and the Aluminum Co. of America.

I am now going to read the Digges report of interviews had with these same manufacturers, users of aluminum, depending upon the Aluminum Co. of America for their supply. I should say that I would not disclose the names of these persons who were thus interviewed but for the fact, as it is well understood, of the examination by the Federal Trade Commission in support of the complaint made concerning the monopolization of the sand-casting business and scrap aluminum. Testimony is now being taken before an examiner in the city of Pittsburgh, so that sooner or later these facts will be divulged, with the names of the parties who gave them. Therefore I do not hesitate at this time to make public these statements. I read from the interview with Mr. Doehler, of the Doehler Die Casting Corporation, made on April 21, 1924, to Digges, as follows:

We are informed by the British Aluminum Co., through its New York representative, Arthur Seligman, that only 10,000,000 pounds of aluminum ingot was available for American 1924 requirements.

It will be remembered that at the outset I was interrogated by the Senator from Pennsylvania about the opportunity that users of aluminum in the United States, manufacturers using it in their business, had to get a supply of aluminum from foreign producers.

We are informed by the British Aluminum Co., through its New York representative, Arthur Seligman, that only 10,000,000 pounds of aluminum ingot was available for American 1924 requirements. Of this amount Seligman would only furnish us with 1,000,000 pounds, or one-third of our requirements. Thereupon I sent a man to Europe to determine whether foreign metal could be purchased from other European sources. He visited the European companies, with the exception of the German producers, but reported that it was not possible to buy metal for American consumption. We were, therefore, forced to buy 2,000,000 pounds from the Aluminum Co. of America, which Mr. Davis, president of that company, agreed to let us have after I told him that unless the metal was sold us we would be forced to shut up shop.

Only the very best grade of clippings can be remelted for use in die castings, and until the middle of 1923 we were able to purchase clippings from the Budd Manufacturing Co. and the Fisher Body Co. Since that time we have not been able to get clippings from these two sources, and the market, generally speaking, has been forced so high that it is cheaper to buy virgin aluminum. \* \* \* The Aluminum Co. of America uses the most drastic methods of any corporation in America. It is the most arbitrary monopoly in this country, and its methods are non-American.

MR. KING. Mr. President, is there anything to indicate that Mr. Dunn conferred with this dealer in aluminum?

MR. WALSH. The records show that he did not.

MR. SWANSON. What is the date of that?

MR. WALSH. That is April 21, 1924. I read from the interview of the purchasing agent of the Budd Manufacturing Co.

MR. NORRIS. Is this the Federal Trade Commission investigation?

MR. WALSH. This is the Digges report to the Federal Trade Commission, from which I read. Mr. Digges's report of his interview with Mr. Mueller, purchasing agent of the Budd Manufacturing Co., is as follows:

With regard to the foreign situation, Mr. Mueller said it was his opinion that the Norwegian company was purchased by Al. Co. because that company was apparently producing aluminum more cheaply in Europe than any of its foreign competitors, in that the Norwegian company seemed able to sell in American market more cheaply than other foreign companies. The Budd Co. had sent an expert, Colonel Ragsdale, to Europe to study the aluminum situation in conjunction with other work. This expert reported that it was evident that there existed a working agreement between the European producers of aluminum and Al. Co. and also reported that on one occasion Al. Co. had undersold their domestic price by 12 cents per pound in foreign markets. It was assumed that this was done to undersell and punish foreign competitors who did not "keep in line." Keeping in line, according to Mr. Mueller, meant keeping out of the American market except at prices satisfactory to Al. Co.

With regard to the market for aluminum scrap, clippings, and borings, Al. Co. has forced the Budd Manufacturing Co., against its will, to enter into an agreement to resell clippings to Al. Co. at approximately 10 per cent less than the purchase price of ingot. The agreement entered into defines scrap as sheet aluminum not used for specific purpose for which purchased. Al. Co. was frank to admit the reason for the insertion of this clause was to make it impossible for aluminum sheet to get into the hands of utensil manufacturers.

The Budd Manufacturing Co., which makes steel and aluminum automobile bodies, is probably the biggest purchaser of sheet aluminum in the United States. Five hundred to 750 tons per month are purchased from Al. Co., of which one-third has to be returned as scrap.

Until July of 1923 Budd had been selling his clippings to Charles H. Bohn and J. L. T. Waltz and others. Subsequently thereto Al. Co. apparently found out who Budd's vendees were and forced him to sign a contract for the return of the clippings at 22½ cents per pound, which was approximately 10 per cent below the purchase price of ingot. A similar contract was entered into in November, 1923. The latest contract between Al. Co. and Budd provides for the sale to Al. Co. of aluminum clippings at 23½ cents per pound. This latter contract contains the same definition of scrap above noted.

Al. Co. used to pay 14 cents per pound for scrap, but the competition by independents became so great that the price had been forced up. In his opinion, this was merely another step to secure control of the world's supply of aluminum and to drive out independents. There are independents anxious to buy Budd's scrap in order not to be in the clutches of Al. Co., but because of the restrictive agreement this has been

impossible. The market price of scrap for this reason is greater than its actual commercial value; the price has been artificially maintained because of the desire of independents to obtain aluminum from sources other than Al. Co., especially for the reason that Al. Co.'s subsidiaries are in competition with these independents in the manufacture of aluminum articles. In this connection Mr. Mueller pointed out that Al. Co. officials testified before the congressional tariff committee that the cost of producing virgin aluminum was approximately 18 cents per pound, but they are nevertheless purchasing scrap at prices between 22 and 23.33 cents per pound and are remelting this scrap and rerolling it into sheets.

Mr. Mueller stated that the aluminum monopoly was a direct hindrance to many industries. Al. Co. is the most arbitrary manufacturer in America to deal with, being infinitely more arbitrary than the steel industry.

I want Senators to notice that he says that Budd was forced to sign a contract for the return of the clippings at 22½ cents a pound. The Assistant Attorney General, Mr. Donovan, in his testimony informed us that this was entirely a voluntary agreement, because the Aluminum Co. would pay a higher price for it than anyone else would. Of course, the statement that the Aluminum Co. of America would pay a higher price for it than anyone else would was strictly in accordance with the facts. The assertion that it was a voluntary agreement entered into is flatly denied by an officer of the Budd Co. itself.

Mr. GOFF. Mr. President, will the Senator yield to state the date of that interview which he has read?

Mr. WALSH. That is January 14, 1924. Reference has been made to Mr. Waltz, who had been accustomed to go out into the market and buy scrap from the Budd Co., from the Hudson Co., and from other manufacturers who had scrap to sell. Waltz was an independent importer and broker. His interview states:

With regard to the European situation, Mr. Waltz stated that reliable reports from his European agents tended to show beyond doubt that there was a working agreement between European companies and Al. Co. This arrangement, he stated, was not a territorial arrangement, but an "allocation of customers." Bohn, for example, was allocated to the French company, Aluminium Français, and in order to keep Bohn from purchasing his requirements Al. Co. bought up all of the French company's surplus.

When asked what transpired at the tariff hearings that would cause a tariff of 5 cents to be placed on ingot and a tariff of 9 cents on aluminum sheet, Mr. Waltz replied that the provisions regarding these two commodities practically were written in by Mr. Davis, president of Al. Co. Under the Payne-Aldrich tariff the tariff was 3 cents on ingot and 7 cents on sheet. The committee simply added 2 cents to the tariff on ingot and 2 cents on the tariff on sheet.

With regard to the scrap situation, Mr. Waltz stated that he had not in recent months been able to obtain anything like his requirements in this commodity due to the restrictive contracts entered into between Al. Co. and manufacturers' foundries, such as Budd, Fisher Body Co., etc. He believed that the purpose of Al. Co. was to eliminate Bohn and himself, as they were the two largest independent purchasers of scrap.

Reference has been made to the tariff, and that will be elucidated by reference to the report of the Federal Trade Commission, in which the following appears:

Effect of tariff on prices of ingot and sheet: The efforts of the Aluminum Co. of America, which were not opposed by the consumers of aluminum ingot and sheet, resulted in an increase in the duty on ingot from 2 cents to 5 cents per pound, and on "coils, plates, sheets, bars, rods, circles, disks, blanks, strips, rectangles, and squares from 3½ cents to 9 cents per pound." The act went into effect on September 22, 1922. The Aluminum Co. of America increased its price of ingots on September 26, 1922, from 20 cents to 22 cents per pound, and on November 1, 1922, the price was again increased to 23 cents per pound. Thus, in a little over one month after the tariff went into effect, the entire increase in duties on ingot aluminum was reflected in the price to the consumer. The price of sheet aluminum was also increased on September 26, 1922, and November 22, 1922, aggregating 3 cents per pound against 5½ cents per pound increase in the tariff duties.

Erection of rolling mills retarded: The tariff on aluminum ingots has discouraged the erection of independent rolling mills, so it is claimed.

N. W. Rosenheimer, office manager and director of the Kewaskum Aluminum Ware Co., informed representatives of the commission in August, 1923, that " \* \* \* we are still considering the erection of a rolling mill, and if the tariff was removed from the ingots we would, no doubt, immediately purchase the necessary machinery, as we already have the building, right across the street, which was formerly used by us in our malting business. We have gone into the matter thoroughly and are convinced that it would be a paying proposition with us."

E. H. Noyes, of the Chicago office of the Aluminum Co. of America, wrote to J. O. Chesley, of the Pittsburgh office, on December 22, 1921, referring to the possibility of sheet customers erecting rolling mills, as follows:

"Walker again talked of a rolling mill. He said that he does not want to build one and that he will not build one unless we force him to it.

"In regard to the Illinois Pure Aluminum Co., I am hoping that we may be able to play them along, in lots of a few hundred thousand pounds at a time at reduced prices, until relief comes through the tariff."

The "Walker" referred to in the above letter was George S. Walker, president of the Illinois Pure Aluminum Co. Mr. Noyes wrote to E. K. Davis on April 6, 1922, referring to a recent contract with Mr. Walker for the sale of 1,000,000 pounds of coiled sheet circles at a cut price, and added:

"Mr. Walker is still talking rolling mill.

"One advantage of this order, in addition to allowing us to make satisfactory mill schedules, will be to keep him out of the foreign market for some months and also keep the rolling mill out of his mind for some time. I hope the tariff will come along before he is again in the market for large quantities."

Effect of tariff on the industry: It is alleged that a vast quantity of inferior, foreign, light-gauge aluminum cooking utensils was dumped in the United States immediately following the World War, which seriously handicapped and demoralized the domestic industry, a condition which would readily explain the duty imposed upon finished aluminum products by the tariff act of 1922. The conditions were different, however, with reference to bauxite, aluminum ingots, sheets, and other semifinished aluminum products. The duties imposed on these items by the act have resulted not only in continuing but also in increasing the monopolistic position of the Aluminum Co. of America.

Mr. HARRISON. Mr. President, would the Senator object to an interruption in this connection?

Mr. WALSH. Does it relate to this particular matter?

Mr. HARRISON. Yes; the tariff.

Mr. WALSH. Very well.

Mr. HARRISON. At the beginning of the Senator's remarks, I understood the Senator from Pennsylvania [Mr. REED], as well as the Senator from Utah [Mr. SMOOR], to state that there was no tariff on bauxite.

I notice, following what the Senator has stated, that in the consideration of the last tariff bill the Senator from Montana, who is now addressing the Senate, offered an amendment to the proposal of the Finance Committee to take the various kinds of aluminum from the dutiable list and put them on the free list, and in the vote on that amendment the Senator from Utah voted "nay." I am glad to say that Senators on this side of the aisle lined up solidly for the amendment offered by the Senator from Montana. The Senator from Iowa himself is to be congratulated, because he was found at that time in good company.

Mr. CUMMINS. I am always in good company; but I do not just see the materiality of the suggestion, so far as the present discussion is concerned. If we are going into the mysteries and the difficulties and the intricacies of the tariff law upon the proposal made by the Senator from Montana to investigate the question whether the Aluminum Co. of America has violated a decree of the court, I am afraid that it will be a long time before we reach a vote upon the question. Does not the Senator from Mississippi agree with me?

Mr. HARRISON. I think it is right in line, as was suggested by the Senator from Montana, as showing how the activities of this particular monopoly in seeking to increase the tariff on the various aluminum products, as evidenced by the hearings before the Ways and Means Committee when the Underwood bill was up for consideration. A man named Davis, who was one of the moving spirits, appeared before the Ways and Means Committee at that time and talked very strenuously against a reduction in the tariff on aluminum.

Mr. CUMMINS. But what has that to do with the question whether a decree of the court has been violated or not?

Mr. HARRISON. Oh, nothing except that here is a monopoly which has such tremendous control of things that it even seeks to have a high tariff all the time, and it gets the high tariff. In 1922 it endeavored to have the tariff increased, I think, at least 100 per cent, and the Senator joined with those of us then on the Democratic side of the Chamber in keeping the raise from being made effective.

Mr. CUMMINS. I am not a high-tariff man. Everybody knows that.

Mr. HARRISON. The Senator is a "spotted" high-tariff man.

Mr. CUMMINS. No; I am not high tariff upon anything.



Mr. HARRISON. In the RECORD with reference to the last tariff proposition it will be found that the Senator voted many times for very high dutiable rates, and sometimes he voted to reduce the rates.

Mr. CUMMINS. The Senator from Mississippi is not a tariff man at all.

Mr. HARRISON. I am a tariff-for-revenue man.

Mr. CUMMINS. Therein he differs very widely with the Senator from Alabama—I mean the senior Senator from Alabama [Mr. UNDERWOOD]—who, as I understand, indorses and advocates a competitive tariff and is very earnestly—I will not say successfully—a competitive tariff man. Is the Senator from Mississippi a competitive tariff man?

Mr. HARRISON. I am. The Underwood bill was drawn on that theory. At the last Democratic convention, in New York, a provision with reference to the tariff was written into our platform.

Mr. CUMMINS. A competitive tariff is always a protective tariff.

Mr. HARRISON. The Senator has his idea about that proposition. He just a moment ago said that he was for a very low duty on some articles. If the Senator will scan the RECORD he will find that it shows that he voted for a very high protective rate during the consideration of the tariff bill.

Mr. WATSON. Mr. President—

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Indiana?

Mr. WALSH. I yield.

Mr. WATSON. I am a high protective man all the time and therefore disagree with both of the Senators. But, incidentally, the question was not raised on the merits of the proposition which the Senator from Montana has been discussing but from an inadvertent remark made by the Senator from Montana this morning about the tariff on bauxite. The Senator from Pennsylvania [Mr. REED] simply rose to respond to that remark, and that is all there was to it. I do not think the Senator from Montana claims the tariff has anything to do with the question of whether a decree was violated or how to deal with the situation if it was violated.

Mr. WALSH. I flattered myself that my argument was logical and consistent.

Mr. WATSON. I thought so.

Mr. WALSH. I would not refer to this matter if I did not think that it has a direct bearing upon the matter before us. I endeavored to show that the Aluminum Co. of America, having by means of the tariff shut out importations of aluminum from abroad, then proceeded to put out of business all purchasers of scrap aluminum and producers of ingot from scrap in the United States, so that they had an iron-bound monopoly that could not be broken even by importations from abroad.

Mr. WATSON. But did not the Senator in that connection state that there was a tariff on bauxite? That was the inadvertent statement which the Senator made to which I had reference.

Mr. WALSH. No. However, that is entirely irrelevant.

Mr. WATSON. No; the Senator made that statement, and the Senator from Pennsylvania [Mr. REED] responded to it.

Mr. WALSH. It does not make any difference whether I did or whether I did not. The fact is that they have a perfect monopoly, and everybody must concede that they have a perfect monopoly, in the production of aluminum in this country, whether there is or is not a tariff on bauxite.

Mr. WATSON. I do not agree with the Senator; but he having made the statement, and the Senator from Pennsylvania having risen to respond to it, that brought the whole tariff question into the debate.

Mr. WALSH. The Senator is quite in error in imagining that that was the subject of the interruption by the Senator from Pennsylvania. He did refer to it, and he was supported by the Senator from Utah, and I immediately said that it was entirely immaterial. The Senator from Pennsylvania was endeavoring to convince this body, perfectly obviously, that anybody who cared to do so could get aluminum from abroad and that aluminum came in great quantities from abroad.

Mr. WATSON. Of course, there is aluminum coming from abroad, regardless of what the manufacturer may say.

Mr. WALSH. There is if they pay the duty.

Mr. WATSON. Certainly. There is no question about that.

Mr. WALSH. Of course, the Aluminum Co. of America, producing its own aluminum here, gets it as a matter of course at just 2 cents a pound lower than the purchasers who are obliged to pay the duty.

Mr. WATSON. I am not advised as to that, of course.

Mr. WALSH. I am calling attention to the fact.

Mr. WATSON. I shall be very glad to investigate that feature of it.

Mr. WALSH. I am calling attention to the fact that the duty of 2 cents a pound in the ingot having been applied, within 30 days the Aluminum Co. of America raised its prices just 2 cents.

Mr. WATSON. Where are they now?

Mr. WALSH. I do not know.

Mr. WATSON. The statement the Senator made that he would advert to later on and furnish proof of was that the Aluminum Co. of America either had a monopoly of production of bauxite elsewhere in the world and controlled it, or was a party with those who do control it. I understood the Senator to say he would give us some facts on that question before he took his seat.

Mr. WALSH. I can give the facts.

Mr. WATSON. I wish the Senator would do so.

Mr. WALSH. If they are of interest to the Senator, I would be glad to present them.

Mr. WATSON. I would be very glad to have the facts.

Mr. WALSH. Of course, I do not concede that it has anything to do with the question before us to know whether they have a monopoly of the production of aluminum in America.

Mr. WATSON. It might have a bearing on the question.

Mr. WALSH. The fact of the matter is that they have extensive interests in many of the bauxite deposits in South America and in Europe, and according to the testimony here they have working agreements with practically all the producers of aluminum in Europe.

Mr. WATSON. What testimony?

Mr. WALSH. I have just called attention to it.

Mr. WATSON. Testimony where?

Mr. WALSH. Testimony in the record.

Mr. WATSON. I mean before the Federal Trade Commission or before the Department of Justice?

Mr. WALSH. Before the Federal Trade Commission; statements from men who went to Europe for the purpose of buying it and could not buy it except at prices fixed by the Aluminum Co. of America.

Mr. WATSON. I would like very much to have that testimony.

Mr. WALSH. I am giving it to the Senator.

Mr. CUMMINS. Mr. President—

Mr. WALSH. I yield to the Senator from Iowa.

Mr. CUMMINS. It seems to me we have forgotten the fact, if I may interrupt the Senator from Montana again, that in 1912 the court entered a decree adjudging the Aluminum Co. of America to be in violation of the antitrust law. That is the beginning of our investigation. None of us can dispute or ought not to dispute that the Aluminum Co. of America had either established a monopoly or was operating in restraint of trade. I think that ought to be the beginning of our inquiry.

Mr. WALSH. Yes, I think we might very fairly indulge the presumption that a state of facts once shown to exist continues to exist until the contrary is shown. I am not only relying upon the presumption, but I am saying that it has continued.

Mr. CUMMINS. Unless, of course, the Aluminum Co. of America obeyed the decree of the court, which is supposed to have been effective—I do not know whether it was effective or not, but which is supposed to have been effective in removing the restraint of trade and destroying the monopoly if one existed. I am not familiar with that phase of the case nor do I think it is at all material. The question the Senator from Montana is discussing is whether the Attorney General ought to have proceeded against the Aluminum Co. of America for a violation of the decree of 1912.

Mr. WALSH. And he did not do it because he got a report from Dunn that there was nothing the matter with the situation at all, and I am endeavoring to show that we can not rely on Dunn's report.

Mr. CUMMINS. It is perfectly proper that the Senator should endeavor to do that.

Mr. WALSH. Moreover, I am endeavoring to show that the Attorney General should not have relied upon Dunn's report because of Digges's report upon the matter.

Mr. CUMMINS. I have no objection to that effort on the part of the Senator from Montana. I am trying to reduce the discussion to reasonable limits, and I do not care whether the Aluminum Co. is a monopoly or not, so far as this discussion is concerned.

Mr. WALSH. I remarked in passing that Dunn did not interview Waltz, whose statement I have just given to the Senate. I pass to another. Mr. Dockendorff, representing the

Swiss aluminum interests in New York, in an interview of February 13, 1924, said:

The situation for casting manufacturers has been intolerable in the United States because of the difficulty of obtaining deliveries from the Aluminum Co. It is always hard on a manufacturer when he has to depend exclusively on one source of supply.

Dunn did not interview Dockendorff. I read from the statement of Mr. Roesler, February 13, 1924, technical expert of the Iron & Ore Corporation of America in New York City:

Our company represents Swiss interests seeking to export ingot and sheet to the United States. We have not as yet commenced importation of either of these commodities. The importation of sheet at the present time is practically impossible because of the high tariff wall. With the tariff added to the freight rates, the additional cost to the foreigner on sheet is about 11 cents per pound.

Dunn did not interview Mr. Roesler.

Mr. Seligman, representative of the British Aluminum Co., 165 Broadway, February 13-14, 1924:

\* \* \* The exorbitant tariff on sheet is successful in keeping out foreign competition. The only real competition of the Aluminum Co. was furnished by these foreign companies.

We have to sell at prices agreeable to the Aluminum Co. in the United States. At one time the Aluminum Co. went into the home market of the British Aluminum Co. and undersold the home company. The Aluminum Co. has a London sales office for the sale of aluminum in Great Britain.

Mr. WILLIAMS. May I inquire the date of that letter?

Mr. WALSH. February 13-14, 1924.

In informant's opinion the castings manufacturers are very "wobbly" at the present time because of the policy of the Aluminum Co. with regard to them.

Dunn did not interview Seligman.

Mr. Digges's report of his interview with D. M. Shepherd, purchasing agent for Landers, Frary & Clark, on February 15, 1924, is as follows:

We believe there is a working arrangement between the Aluminum Co. of America and the British Aluminum Co. to allocate customers. We are afraid to try to buy in the foreign market, because we are fearful of incurring the wrath of the Aluminum Co. It's a case of making peace with the lion.

Last summer the Aluminum Co. indicated to us that they would like to bid on our scrap, to be sent to their castings department. Subsequently they did bid, but were outbid by others. At that time they intimated to us that it would be good business for Landers, Frary & Clark to return the scrap, and in telephone conversations have intimated they would employ coercive measures. Nothing, however, has been put on paper.

These are cooking-utensil manufacturers. Dunn interviewed this company and found that they had no complaint to make.

The report of Mr. Digges, under date of February 18, 1924, of his interview with Otis F. Russell, of Richards & Co., remelters and jobbers, and evidently that is a concern which is in the market for scrap, is as follows:

#### THE FOREIGN SITUATION

We ordered three carloads of aluminum ingot from the Canadian Aluminum Co., Windsor, Ontario, but could not get deliveries. We have heard that there is an agreement between the British Aluminum Co. and Aluminum Co. of America to deliver only specified tonnage in the United States. Last year the price for aluminum ingot dropped 20 cents. Mr. Arthur V. Davis made a trip to England, and the price went up 23 cents.

#### SCRAP

Generally speaking, in buying scrap we have been forced to pay more than we can afford because of the arbitrary high prices paid by the Aluminum Co.

#### DELIVERIES

We can not purchase all we need and deliveries are very poor. We know that after deliveries have been refused us that contracts have been made on which deliveries were prompt.

Dunn finds no complaint whatever from this source. He states:

According to Mr. Nichols, no difficulty has ever been experienced in obtaining ample supplies of scrap metal at normal market prices. Mr. Nichols has no knowledge that the Aluminum Co. of America has ever tried to dominate the local scrap market. That company has on occasions been a bidder for scrap in the Boston market, but not to any great extent.

I now read from Mr. Digges's report of his interview with Mr. Harry W. Holt, a representative of the Bohn Co., to which reference has been made:

#### SCRAP

Loss of the Budd contract was a terrible blow, for it meant that we were deprived of 250 tons of excellent secondary aluminum per month. At the present time we can not get enough scrap at prices that would permit its purchase.

#### CAPACITY

The capacity of the Bohn foundry is normally 16,000,000 pounds of castings per year. We are now fabricating on the basis of between seven and eight million pounds per year. In order to operate to capacity, therefore, we need 15,000,000 pounds of virgin or secondary metal. We can only get 1,000,000 pounds abroad, and with scrap as high as it is now it is cheaper to buy virgin metal.

Mr. Digges's report of his interview with Mr. P. A. Markey, of the same firm, February 22, 1924, is as follows:

In August, 1922, Mr. Arthur V. Davis, president of the Aluminum Co., went to Europe and came back on the steamship *Olympia*. When he left aluminum ingot was selling at 17 cents per pound; on his return to this country it advanced 23 cents, and shortly thereafter the price went to 25 cents. Meanwhile, the British Aluminum Co. and the Aluminium Français would sell only a limited tonnage for American consumption. We are allocated to the British Co. for a million pounds of metal per year, and we can only buy that amount. Aluminium Français will not sell us at all. The Aluminum Co. of America will sell us only 300,000 pounds per month.

In 1923 Mr. Arthur V. Davis went to Europe, and the price of aluminum advanced 1 cent per pound while he was there.

Mr. SWANSON. What is the date of that statement, I will ask the Senator from Montana.

Mr. WALSH. It is dated February 22, 1924.

Mr. SWANSON. Was it called to the attention of the Department of Justice and of the Federal Trade Commission?

Mr. WALSH. This is the report of the examiner of the Federal Trade Commission to that commission.

Mr. SWANSON. And it was available to the Department of Justice?

Mr. WALSH. Yes; entirely.

Mr. SWANSON. And the man who made the statement was not summoned before the grand jury in an effort to indict these people who are involved?

Mr. WALSH. I do not think that any grand jury has been invited to consider the matter at all.

Mr. SWANSON. What more proof is needed for proceedings against the company than the statements which the Senator has been reading? I am willing to vote for the Senator's resolution if there is no answer to these charges. These witnesses are available and could be summoned before a grand jury. It seems to me the Senate has sufficient information upon which to act.

Mr. WALSH. However that may be, I propose to pile it up. According to the report of Mr. Digges, another representative of the Bohn Co. states, under date of February 22, 1924:

Whatever difficulty the Bohn Foundry Co. would have with regard to its ability to purchase secondary aluminum also would apply to the Peninsular Co.—

Which is a subsidiary of the Bohn Co.—

The market has been bid up so high by the Aluminum Co. of America that we can not afford to buy this type of metal for the Peninsular Co. The price has risen to a point too near that of virgin metal.

Dunn reports that the Bohn Co. has no present complaint against the Aluminum Co. of America.

Mr. SWANSON. What is the date of that interview?

Mr. WALSH. It is dated February 22, 1924.

Mr. SWANSON. The statute of limitations would not run against that?

Mr. WALSH. No; that is still open. The statute of limitations does not begin to run until the expiration of three years.

I now read the report of Mr. Digges of his interview with John R. Searles, president Michigan Smelting & Refining Co., Detroit, Mich., under date of February 22, 1924:

#### SCRAP

The scrap market is in very bad shape. We wish to buy a lot of clippings and borings, but the price has been forced up so high by the Aluminum Co. of America that we can no longer buy it with profit. The probable reason for forcing up the scrap market was first to keep secondary metal from castings manufacturers and at the same time to maintain the market for virgin aluminum.

Dunn did not interview Mr. Searles.

On February 25, 1924, Mr. Digges interviewed Mr. L. M. Payne, purchasing agent of Northway Motors Co., Detroit, Mich. The report of that interview is as follows:



We are off of the Aluminum Co. at the present time and we are giving our piston business to Bohn Foundry Co. Bohn quotes us 81 cents per piston and Aluminum Co. has quoted us as low as 76 cents. This, we believe, is below the cost of making piston castings.

Charles B. Bohn Foundry Co. is the biggest competitor of the Aluminum Co. in the fabrication of sand castings.

My personal opinion is that it is to our interest to keep independents in this territory. Aluminum Co. tactics are very arbitrary. They had our business at one time and were charging approximately \$1.05 for pistons. Bohn reduced this price to 81 cents. Mr. Wales, a salesman for the Aluminum Co.'s Detroit office, has stated to me, first, that they had the foreigners in line, and, second, they would put Charlie Bohn out of business and that they were out to get him.

Dunn did not interview Payne.

Mr. Digges interviewed George C. Allen, purchasing agent of the Buick Motor Car Co., of Flint, Mich., on February 23, 1924. His report of that interview is as follows:

The attitude of the Buick Co.'s officials seemed to be that they were willing to answer specific questions proposed by the commission's representatives but had no desire to appear as voluntary witnesses. They were not desirous of prejudicing themselves with their only source of supply for aluminum.

So all that Digges got out of them he got by putting corkscrew questions to them. Dunn did not see the purchasing agent of the Buick Motor Car Co.

Mr. Digges's report of his interview with George C. Clark, president of the Clark Metal Last Co., Detroit, Mich., on February 26, 1924, is as follows:

Al. Co. absolutely controls secondary aluminum market. They have bid up scrap so high that independents can not get any of it at prices that would permit them to buy. In 1922 Charlie Bohn tried to buy a certain tonnage from Al. Co. which they refused to sell him. The following day I was able to purchase the same quantity and resold it to Bohn. Al. Co. will sell me because I am not in competition with them.

The only real competitors here are the General Aluminum & Brass Co. and Charlie Bohn. Bohn probably is the largest competitor of the Aluminum Co. in the United States.

Dunn did not see Clark.

On February 27, 1924, Mr. Digges interviewed Mr. Gus Selig, president of the Michigan Copper & Brass Co. His report of the interview is as follows:

The Al. Co. undoubtedly is buying in scrap in order to keep it from the independents and also to maintain the market for virgin ingot. I have been informed reliably that the Cleveland plant of the Aluminum Co. has stored up between seven and eight million pounds of scrap and apparently they do not know what to do with it.

The Aluminum Co. has a policy of making contracts with the users of sheet for the return of clippings. This keeps them off the market.

I sincerely believe that there is a tie-up between foreign companies and the Aluminum Co. to allocate customers and restrain the importation of foreign metal into the United States.

If the commission wished, they could find enough evidence to hang all of the Aluminum Co.'s officials. I feel very certain, however, that nothing will be done. The Mellon interests control the Aluminum Co., and Mellon is very influential in the administration in Washington. He is popular with the masses on account of his program for tax reduction. If the real facts were brought to light the present Teapot Dome would be in comparison a tempest in a teapot.

Dunn did not interview Mr. Selig.

Mr. SWANSON. What is the date of that interview?

Mr. WALSH. February 27, 1924.

I will not state the name of the official of the following corporation interviewed by Digges for reasons satisfactory to myself.

#### CASTINGS

Several years ago the Aluminum Co. made castings for — Co. There was "a rotten tie-up." Deliveries were very poor, holding up our production to an appreciable extent. We then decided not to give them any more business on castings. Bohn now has 60 per cent of the business and 40 per cent goes to the Fulton-Harwood at South Bend, Ind. We are very much interested in seeing these independent foundries live because we know the situation would be very serious if the Aluminum Co. drove them out of business.

The reason the Aluminum Co. buys scrap is to keep it from independents and to maintain a high price per ingot. Bohn is a very reliable foundry, with whom we like to do business. They always have given very satisfactory service.

The — Co. spends \$150,000,000 a year on the outside, and we find that the Aluminum Co. is the most arbitrary firm in America to do business with.

I should not like to be quoted with regard to these statements, as I feel it would be prejudicial to the interests of the — Corporation.

Dunn did not visit this corporation.

As to his interview with J. H. Main, purchasing agent for the General Motors Corporation, on February 28, 1924, Mr. Digges reports as follows:

#### SCRAP

There is no scrap in the market. Al. Co. is paying more for it than the independent foundries can afford to pay. We need scrap in our own foundries, but can't buy it. Through our subsidiary companies we have returned scrap to Al. Co. under contracts, because they will pay much more for it than it was worth to us.

#### FOREIGN SITUATION

I know absolutely that there is a working agreement between the British, French, and Swiss aluminum companies for the allocation of customers and the restriction of importation of foreign metal. General Motors account, for example, was allocated to the British Aluminum Co., and last year we purchased 7,000,000 pounds from that company under a firm contract. The Aluminum Co. would "lay off" and would not quote General Motors until after the British company had had its say. The British company will not sell in the open market until its own allocated customers are taken care of. For example, I was in New York with Charlie Bohn and in the office of Arthur Seligman, the American agent for the British Aluminum Co. Bohn asked for quotations, which Seligman refused to make until after he found out what requirements of General Motors were. After he had been advised on that point by myself he agreed to sell Bohn 1,000,000 pounds.

Further proof is this: Doehler and Cadillac were allocated to the French for a large part of their requirements—they are both General Motors subsidiaries—and the British would not quote on the requirements of these two corporations as such, but they were willing to sell to General Motors for their general account.

We are buying some metal from the Al. Co., but not from preference. The foreign market has tightened, and this year we have not been able to get all our requirements. Our needs are about 10,000,000 pounds, and we are getting about 5,000,000 pounds from the English.

General Motors is very much interested in the independent foundries, because we consider that they are insurance against high prices. Charlie Bohn is the biggest and best independent in the country. To show what he is doing for the industry, he went out of business several years ago. At that time castings could be bought at 37 cents. When he dropped out, the price went up to 42 cents.

General Motors, Studebaker, and Hudson have given independents some business to keep them on their feet, and we are willing to pay a premium in order to have this insurance against exorbitant prices.

I know from our own foundry costs that Al. Co. has taken General Motors castings business at a loss. A good foundry differential on crank cases, for example, is about 12 and 14 cents. Al. Co. took the Buick business last fall cheaper than Buick could do it in his own shop. When ingot was at 23 cents, it took the Hudson crank-case order at 27 cents. That would not more than half cover the actual foundry cost of converting the metal.

We think we are paying entirely too much for ingot. Prices rise overnight without apparent reason. Aluminum Co. has created a shortage purposely. Their capacity is probably 150,000,000 pounds per year. Their production is not half of that. I do not think the reduction of tariff will help the situation very much.

It is worthy of note that the British and French are not operating to capacity.

On account of the keen competition in the automobile industry, of course, we are interested in purchasing cheap castings, but we are not interested in purchasing them too cheaply.

Dunn did not interview these people, either.

There is another interview here with a gentleman whose name I do not give for reasons satisfactory to myself. He says, under date of March 5, 1924:

Al. Co. has been paying "fancy prices" for scrap, with the result that it is now just as cheap, or cheaper, to buy virgin than scrap. The foundries have been buying remelt in order to cut down the foundry costs. That is no longer feasible. I believe that Al. Co. is paying fancy prices for scrap in order to maintain the market for virgin metal and also to keep it from the foundries. It is not necessary to purchase all the scrap in order to maintain the price, but it is sufficient to purchase a small percentage at a high figure in order to force up the market. We can get sufficient ingot now, though deliveries in the past were poor. Last July our foundry and Al. Co. were bidding on the same jobbing contract. I telephoned Al. Co. in order to cover on my metal requirements. Their Cleveland manager said they didn't have any metal. I replied, "Very well; if you haven't any to furnish me you haven't any to furnish your own foundry department, and consequently you must withdraw your bid on this business." In about an hour the Cleveland office called back and said they were willing to ship to me. A threat in that instance was sufficient.

I feel that Al. Co. is guilty of the things charged, but if I were called as a witness I would be forced to testify as favorably as possible toward Al. Co., because they can break me as easily as treading on a

fly. We joined the institute because we knew they could break us, anyhow, and there could be no additional danger in joining.

Dunn did not see this gentleman.

Mr. McCashen, former treasurer of the Aluminum Castings Co., Cleveland, Ohio, interview of March 7, 1924:

#### FOREIGN SITUATION

In 1921 I tried to organize competition by negotiating with the foreign companies. I sent an expert to Europe to negotiate with the Swiss Neuhausen people (largely controlled by the Germans) and the British. I wanted more than one foreign source in order to stabilize the situation. In 1922, after the expert had returned from Europe, we had about come to terms. Then came the tariff and ruined it all. I had had the foreign metal examined and found it to be as good as or better than Al. Co.'s product. The foreigners also met the American consumers.

Dunn did not interview McCashen.

Mr. President, because it seems to me rather remote from the question, I ask the privilege of putting in the Record a statement from one of these reports concerning the foreign holdings of the Aluminum Co. in bauxite deposits.

The VICE PRESIDENT. In the absence of objection, it will be so ordered.

The matter referred to is as follows:

#### THE FEDERAL TRADE COMMISSION REPORT

(Page 36)

Control of bauxite deposits: When the Pittsburgh Reduction Co., the predecessor of the Aluminum Co. of America, was organized in September, 1888, the commercially important bauxite deposits in the United States were owned and controlled by many individuals and companies. No single person, firm, or corporation owned or controlled bauxite deposits in a sufficient degree to exercise an arbitrary control over its production. In 1905 the Pittsburgh Reduction Co. had acquired extensive bauxite properties, but it did not own a sufficient proportion to give it a dominating control over the available supply. Two other important companies owned bauxite properties. They were the General Bauxite Co., whose capital stock was owned by the General Chemical Co., and the Republic Mining & Manufacturing Co., owned by the Norton Co. The bauxite mined by the General Bauxite Co. was used by the General Chemical Co. in the production of alum, alum salts, and other chemicals, while that mined by the Republic Mining & Manufacturing Co. was used by the Norton Co. in the production of alundum and abrasives.

The Pittsburgh Reduction Co. acquired from the General Chemical Co. in July, 1905, all of the capital stock of the General Bauxite Co., thus obtaining control of the bauxite properties of the latter company. About 1907 the name of the Pittsburgh Reduction Co. was changed to Aluminum Co. of America and in April, 1909, this concern purchased from the Norton Co. the Republic Mining & Manufacturing Co. with all of its bauxite properties except a 40-acre tract, which was reserved to the Norton Co. for the mining of bauxite for its own use in the production of alundum and abrasives.

It has been alleged that these acquisitions gave the Aluminum Co. of America control of more than 90 per cent of all the known deposits of bauxite in the North American Continent that are of such a character that aluminum can be manufactured profitably therefrom in commercial quantities.

Incident to the purchase of the bauxite properties of the General Chemical Co. (according to the petition filed by the Department of Justice in connection with the Sherman antitrust law proceedings in 1912) an agreement was entered into providing for the sale of bauxite by the Aluminum Co. of America to the General Chemical Co., binding the latter company not to use or knowingly sell any of the bauxite purchased under the agreement to others for use in the production of aluminum. Likewise in the contract for the purchase of the Republic Mining & Manufacturing Co., the Norton Co. agreed not to use, or sell to others for use, in producing aluminum, any of the bauxite mined from the 40-acre tract of bauxite deposits reserved to the Norton Co. As a result of these transactions the Aluminum Co. of America acquired a monopoly of the commercially available bauxite in the United States suitable for the manufacture of aluminum.

These transactions and certain other agreements alleged to be in restraint of trade were brought to the attention of the Department of Justice, and in 1912 the judicial proceedings referred to above were instituted against the Aluminum Co. of America under the Sherman Antitrust Act, as a result of which it consented to a decree requiring it, among other things, to cancel portions of contracts and agreements complained of and to refrain from indulging in the unfair methods of competition therein enumerated.

However, this decree did not in any way lessen its monopolistic control over the bauxite deposits, as it retained its ownership of the bauxite properties it had acquired, and neither the General Chemical nor the Norton Co. appears to have either used or sold its bauxite for the production of aluminum.

Production and manufacture: The Aluminum Co. of America has a reduction plant at East St. Louis, where alumina is made from bauxite, and four smelting plants in the United States producing pig aluminum from alumina. These plants are located at Niagara Falls, N. Y.; Massena, N. Y.; Badin, N. C.; and Alcoa, Tenn. It also has a smelting plant at Toronto, Canada. The company at first made aluminum from cryolite, but later on a process was developed for making it out of bauxite. Practically all of the bauxite used by the Aluminum Co. of America is mined in Arkansas and shipped to East St. Louis, Ill., where pure oxide of aluminum is made. This oxide of aluminum, or alumina, is a white powder. The alumina is shipped from East St. Louis to the various smelting plants where it is smelted into crude or pig aluminum. These pigs are in rough shape and contain some slag. Pig aluminum is remelted, therefore, and cast into more regular shape, free of slag, the casting being called ingot aluminum. The company claims that on account of its inability to dispose of its product in the shape of ingots it was found necessary to carry the manufacture still further by the erection of rolling mills for sheet production, and the construction of other plants for further fabrication.

Production and manufacturing properties: The company now owns or controls 44 subsidiary or affiliated companies engaged directly or indirectly in some branch of the aluminum industry. It is also interested in 13 other companies engaged in miscellaneous industries, some of which are connected with the aluminum industry. \* \* \*

In addition to the bauxite properties held in the United States and in South America, the Aluminum Co. of America owns two companies holding bauxite deposits in Europe. Four subsidiary companies are engaged in mining bauxite, two in the United States and two in South America. The American Bauxite Co., one of the subsidiaries, mines all of the bauxite produced in the United States which enters into the production of aluminum. The Aluminum Ore Co. operates the refining plant at East St. Louis, Ill., and produces all of the alumina produced in the United States used in the production of aluminum. The parent company and two subsidiaries operate four reduction plants producing aluminum from alumina. These plants are located at Niagara Falls, N. Y.; Massena, N. Y.; Badin, N. C.; and Alcoa, Tenn. It also has a smelting plant at Toronto, Canada.

#### THE DIGGES'S REPORT

The Aluminum Co. has not confined its acquisition of mines and aluminum plants to the United States. In 1922 it acquired in Norway a 50 per cent stock interest in the Norsk Aluminum Co., which controls the waterfalls at Hoyangfadene in Sogn. These falls have a total power of over 80,000 horsepower, of which 30,000 horsepower was developed in 1921, i. e., prior to the stock purchase by the Aluminum Co. The aluminum factory operated by the Norsk Co. has a producing capacity of approximately 7,000 tons of aluminum per year. The terms of the contract providing for the sale to the Aluminum Co. of a half interest in the Norsk Co. bind the American corporation to dispose of one-half of the output of the Norsk Co. The production of the Norsk Co. in 1923 was 13,640,000 pounds.

About the same time the Aluminum Co. also purchased a one-third interest in the Norsk Nitrid Co., another Norwegian corporation.

The Norther Aluminum Co. (Ltd.), of Canada, is entirely owned by the Aluminum Co. This company has a producing capacity of 20,000,000 pounds of aluminum per year.

The Aluminum Co. owns extensive bauxite mines in British Guiana and Dutch Guiana, South America, and in the year 1923 imported into the United States from its British Guiana mines 68,000 tons of bauxite.

Other mining properties include Bauxites du Midi, France, 100 per cent, and Jadranski Bauxit Dionice Drus'tvo, Yugoslavia, 95 per cent.

Mr. WALSH. Mr. President, that, I think, makes a case which entirely discredits the Dunn report. It is not worthy of credence by any one who has access to any other source of information concerning this subject, not to speak about the delay. This proceeding ought to have been begun, in my judgment, as early as January 1, 1925. There is no excuse for delaying the institution of proceedings or determining that proceedings were not sustainable later than the 1st of March, 1925. There has been a year of delay in this matter that is entirely without justification.

I do not know whether or not the Senator from Iowa [Mr. CUMMINS], the chairman of the Committee on the Judiciary, for whom I have the very highest regard, subscribes entirely to the Harrel report, which tells us that this investigation has been prosecuted by the department with all due diligence; but if the Senator from Oklahoma were here I would ask him—and I address the inquiry now to the Senator from West Virginia [Mr. GORE] and the Senator from Iowa [Mr. CUMMINS]—if he can find any justification whatever for a delay of three and a half months after the commission's report had been transmitted to the Attorney General before doing a single thing in the matter? No answer. I inquire, sir, if there can be any justification for a delay, then, of 30 days after the



letter of January 30 before a program was even laid out for the prosecution of the inquiry—a matter of five minutes' work. Ten minutes would have been adequate to outline that program; and when it was done it did not say a word about the difficulty of getting the testimony of the Aluminum Co. from the Federal Trade Commission.

Mr. GOFF. Mr. President, I intend to reply to the distinguished Senator's argument, and I intend to answer in that reply some of the very suggestions and questions which he has made and asked. I did not understand that the Senator wanted a reply now, in view of the fact that he was closing his argument; but I intend to reply to the Senator from Montana, and I shall set forth the reasons why I think the time taken was proper and justifiable under the circumstances.

Mr. WALSH. Of course, the Senator can take his own course about it; but I shall expect him then to tell the Senate why he thinks that four months were necessary before even a step was taken toward making the investigation. I shall expect him to tell the Senate why a further investigation at all was necessary, if it was not for the express purpose of allowing the statute of limitations to run against the offenses committed between October, 1921, and 18 months thereafter. I shall expect him to tell the Senate whether he believes that the Dunn investigation, which covered seven months, was prosecuted with due diligence, four and a half months of which were spent in the field, and two and a half months in the city of Washington. I wonder what that man was doing for 75 days right here in the city of Washington. I shall expect the Senator to tell the Senate whether he believes that it was due diligence to put the prosecution of this matter in the hands of Mr. Benham, who was absorbed in the transactions out in Chicago, and who was unable to be here to give any attention to the matter until the month of November, 1925.

Mr. GOFF. Mr. President, if the Senator will yield, I shall at the proper time answer the Senator, undoubtedly not to his satisfaction; but I shall answer him, I think, within the record and according to the logic of the facts as the record contains them.

Mr. WALSH. I suggest that at the same time the Senator tell us why he thinks that 30 days after the Dunn report came in Mr. Davis was asked to come to Washington. Then I shall ask him to tell how he thinks due diligence was exercised when Mr. Davis took his time about the matter and did not come here for 30 days more. Then I shall ask him to tell the Senate whether he believes that 30 days more ought to have elapsed before Mr. Davis gave permission to examine the books before the inquiry was entered upon—in other words, to tell the Senate how it was that it took from August to November after the Dunn report was in before they began the examination of the books of the Aluminum Co. of America.

Mr. President, a minority report has been filed here by the Senator from Oklahoma [Mr. HARRELD], to which I desire to address a few comments.

I find that this report says, referring to the resolution of the Senate of January 4, 1922:

It imposed no duty upon the Department of Justice, nor did it require the trade commission to report its findings to that department. No question is presented of the failure of the Department of Justice to perform any duty imposed by the Senate resolution. The commission, however, voluntarily transmitted a copy of its report to the department.

Let us analyze those statements.

It imposed no duty upon the Department of Justice, nor did it require the trade commission to report its findings to that department.

Of course, that is merely a slur directed at the Federal Trade Commission, that, not having been directed by the Senate to transmit this report to the Department of Justice, it acted gratuitously, offensively, in thus acting. I have called attention to the fact that it was acting strictly in accordance with the injunction of the law.

Next:

No question is presented of the failure of the Department of Justice to perform any duty imposed by the Senate resolution.

Who said it was? Nobody suggested anything of the kind. We complain not that the Department of Justice did not do what the Senate directed it to do, but that it did not do what the law directed it to do.

The commission, however, voluntarily transmitted a copy of its report to the department.

Mr. WHEELER. Mr. President, it would have been the duty of the commission regardless of whether or not there was any law on the subject. If there had been a violation of law, it would have been their duty, as it would have been the duty of any other citizen, to report it to the Department of Justice.

Mr. WALSH. Perfectly obvious. They would have been guilty themselves of a breach of the law if they had not done so. It is the duty of every citizen, when information comes to him of a breach of the law, to give information concerning it to the officers of the law in order that due notice may be taken of it.

Then—

The evidence shows that the Trade Commission did not rely upon its attorneys in the preparation of its plan of inquiry or in the formulation of the report. It is significant, as shown by the testimony before the committee, that the report in its final form was not submitted to the legal board of review in the Trade Commission. While the department's field investigation was made by a special agent, not a lawyer, he was at all times working under the direction of lawyers, and is associated with a lawyer in completing the investigations. This abundantly accounts for the difference between the conclusions of the Federal Trade report and the partial findings thus far announced by the department.

Now, let us consider this.

The evidence shows that the Trade Commission did not rely upon its attorneys in the preparation of its plan of inquiry or in the formulation of the report.

Mr. President, the Federal Trade Commission's inquiry was made pursuant to the resolution of the Senate directing it to inquire why the prices of household commodities did not come down with the prices of other commodities. That was a purely economic question. It was referred to the economic branch of the Federal Trade Commission for inquiry, and the economic branch made its report; and reports of that kind do not go before the legal branch of the bureau. That explains that. But, Mr. President, it will be borne in mind that after having been reviewed by two of the most eminent economists in the United States, now in the service and long in the service of the Federal Trade Commission, it was considered by the Federal Trade Commission itself, three of the five members of which are lawyers, and some of them good lawyers. I refer particularly to ex-Senator Nugent.

It is significant, as shown by the testimony before the committee, that the report in its final form was not submitted to the legal board of review in the Trade Commission.

In the ordinary course of events, it would not go before that board at all.

While the department's field investigation was made by a special agent, not a lawyer, he was at all times working under the direction of lawyers—

Under the direction of what lawyers was he working? He was working under the direction of Benham, out in Chicago, conferring with Benham at such times as they happened to be together here in the city of Washington, rare at the most. The report continues:

This abundantly accounts for the difference between the conclusions of the Federal Trade report and the partial findings thus far announced by the department.

Then it continues:

A majority of the acts set forth in the report of the Trade Commission were barred by the statute of limitations when such report was received by the department on October 18, 1924.

"A majority of the acts." Three years prior to October, 1924, was October, 1921, and even the letter of the Attorney General of January 30, 1925, tells us that instances during the year 1922 were covered by the report, and the report shows that as late as August, 1923, there were serious complaints concerning the treatment received by manufacturers, users of aluminum, from the Aluminum Co. of America. He says:

Subsequent thereto former Attorney General Stone outlined to Mr. Seymour, former assistant to the Attorney General, a plan of such further inquiry as was clearly necessary in view of the fact that most of the matter contained in the Trade Commission report was clearly barred by the statute and in its entirety did not cover in substantial detail the period subsequent to 1922.

He has passed from "a majority" to "most of the things" already barred.

While the investigation as outlined originally contemplated bringing the matter from 1922 down to date, it soon became apparent that the entire situation covered in the report of the Federal Trade Commission should be considered, because (1) the report of the commission was made public at a time and in a manner which gave rise to doubt as to the disinterestedness of the report.

Why? What is the time and what is the manner of making public this report which should occasion a conclusion of a lack

of disinterestedness? It was made, so it happens, right in the heat of a national campaign, but it will be borne in mind that three members of the commission were Republicans, a majority of the commission were Republicans. It went at that time to the Attorney General, a Republican. What are the circumstances attending this which make it subject to this charge of showing a lack of disinterestedness?

(2) The findings of the Trade Commission had been severely criticized by the Aluminum Co. of America as being grossly unfair and biased.

In his letter of January 30, the Attorney General quoted not anything somebody said but letters passing between officers of the Aluminum Co. of America itself. How can any accusation be made that that is unfair? But suppose the Aluminum Co. of America did say that the examination was unfair. What is the difference what it said? There is the evidence. Why should all of that be discarded and the Department of Justice institute an entirely new and independent investigation? The answer is perfectly plain. They wanted to consume time.

(3) One member of the commission, Nelson C. Gaskill, in a letter to the department, has disclaimed all responsibility for the report and its publication.

As I have heretofore stated, a private letter was written to the Attorney General to that effect.

The order of procedure of the investigation as finally enlarged was strictly adhered to, and the resulting investigation was fully competent and reasonably prompt, considering the volume of work then pending in the antitrust division of the department.

That is an alibi. That is to say, the inference to be drawn from this, it is suggested, is that the Department of Justice was overwhelmed with work and was unable to proceed more rapidly. There is not a scintilla of evidence in the record to sustain any such suggestion at all, not a word. The Department of Justice is amply provided with funds by the Congress of the United States, and always has been, to prosecute antitrust cases. A special appropriation is made to that end, usually in the general appropriation bill. No one has said that the Department of Justice was overwhelmed with work, or that it was obliged to delay this because of other and more important questions before that department. That is a perfectly gratuitous thing in this report.

Mr. Dunn, a competent agent, was assigned to the case in the early part of February, 1925. He carried on his work under the direction and counsel of experienced attorneys on the Attorney General's roll—

I have stated that he carried on his investigations under Benham, who was out in Chicago—

attorneys of extensive experience in antitrust cases. As the record shows, he first started active work on the case on February 5, 1925. For the next 15 days proper and persistent effort was made to obtain access to the files of the Federal Trade Commission gathered in the course of its investigation.

It is said that "proper and persistent effort was made" to get access to the files of the commission. What did they do? The Attorney General on February 10, 1925, wrote a letter to the Federal Trade Commission saying, in effect, that, "Pursuant to your letter of October 20, 1924, I am sending Mr. Dunn down to make an examination of the files, and trust you will give him access to your files, as you stated in your letter you would." The Federal Trade Commission wrote back and said, "You can not see any stuff coming to us from the Aluminum Co. of America." And there the matter ends. That is the whole story upon which it is asserted here that persistent and proper effort was made to get access to the files in the hands of the Federal Trade Commission. I pass that.

Mr. WHEELER. Mr. President, will the Senator yield for a question?

Mr. WALSH. I yield.

Mr. WHEELER. I take it that the Senator feels that the evidence accumulated by the commission shows prima facie a violation of both the Sherman antitrust law and the decree of the court?

Mr. WALSH. I have no doubt of it.

Mr. WHEELER. Assuming that to be true, why should the Department of Justice employ anybody else to go ahead with another investigation after one branch of the Government has thoroughly investigated the matter?

Mr. WALSH. That is the point I am making, that the first thing to do was to examine the evidence before the Federal Trade Commission, and if that showed a violation of the decree within the period of three years prior thereto, to file a complaint as a foundation of a contempt proceeding. If it did not show that, then they might or might not conduct an inde-

pendent investigation on their own account. That would be the way any lawyer would do this job.

My esteemed friend, the chairman of the Committee on the Judiciary, thinks that all this is unconstitutional. I am going to let him expatiate on that, but I merely say that the Senator from Iowa very correctly anticipates what I conceive should be the subsequent proceedings in this matter. If the report should be adopted, as I trust it will be, and I can not conceive the Senate will do anything else, I shall ask that it pass a resolution providing in effect that the Judiciary Committee conduct an examination itself into the question as to whether there has or has not been a violation of this decree, that investigation, however, simply to consist of an examination of the testimony which has already been accumulated by the Federal Trade Commission or which may hereafter be accumulated by the Federal Trade Commission or by the Department of Justice, unless it should find it necessary to examine some other witnesses concerning matters not already covered by the testimony taken.

For the information of the Senate I send a draft of such a resolution to the desk and ask that it be read.

The VICE PRESIDENT. The clerk will read.

The Chief Clerk read as follows:

*Resolved*, That the Committee on the Judiciary be, and it hereby is, directed to secure, as the same shall be transcribed, a copy of the testimony taken or that may be taken by or under the direction of the Federal Trade Commission in connection with the charge made in that certain complaint issued by it on the 21st day of July, 1925, against the Aluminum Co. of America; that the Attorney General be directed at the earliest convenient date to report to the Senate his conclusion as to whether the charge made against the Aluminum Co. of America in the letter of Attorney General Stone of date January 30, 1925, to the chairman of the Federal Trade Commission and by the said commission in the report referred to in said letter is sustained, and that in the event he finds no warrant for the institution of proceedings upon such charge that he afford to the said Committee on the Judiciary access to and leave to take copies of all files, documents, and evidence in his department relating to such charge; that the said Committee on the Judiciary having so assembled such evidence and documents be, and it hereby is, directed to make a study of the same and such other evidence and documents relating thereto as may heretofore have been transmitted by the said commission to the Senate and, considering the same, together with any other evidence it may take, report to the Senate whether proceedings in contempt against the Aluminum Co. of America are warranted and ought to be undertaken: *Provided*, That the said committee is not hereby authorized or empowered to take any testimony except such as may be supplementary and not in duplication of any that may be by it secured, as herein provided:

*Resolved further*, That to aid it in the discharge of the duties hereby devolved upon the Committee on the Judiciary it is authorized and empowered to employ counsel at a cost not to exceed \$2,500.

Mr. WALSH. If upon that kind of an inquiry the Judiciary Committee should reach the conclusion, and the Senate should approve it, that there had actually been a violation of the decree, I should then propose, as anticipated by the Senator from Iowa, that a joint resolution be passed by both Houses of Congress directing the employment of special counsel to prosecute those proceedings, and all of this is directed to that end, just exactly as we did in the Teapot Dome case when we thought that it would be unwise to trust further to the Department of Justice in the prosecution of the litigation which it was believed was necessary in that particular instance.

My friend the Senator from Iowa thinks all that is unconstitutional. Of course, if it is, then our joint resolution authorizing the employment of special counsel in the Teapot Dome matter was unconstitutional, and Messrs. Pomerene and Roberts are entirely without authority in the premises at all; and inasmuch as they went before the grand jury in those proceedings, if they had no authority at all, their presence in the grand jury room, of course, vitiated all the indictments that were found. I suggest that probably Mr. Doheny and Mr. Fall and his associates would compensate the Senator from Iowa quite lavishly if he were able to sustain that proposition in those proceedings. I myself can see no constitutional objection to the procedure which has thus been outlined. But, as I have said, the Senator from Iowa will elaborate his views upon the matter, and perhaps I shall have something to say to the Senate on that phase of the case a little later.

Mr. President, it has been cynically said by a great criminal lawyer that "you can not convict \$100,000,000." The iconoclasts of Russia assail our Government as being dominated entirely by vast aggregations of capital, the controlling spirits



in which manage to work their will through the machinery of government, which we fondly believe assures in this country government by the people. The hold-up man, the confidence man, the burglar who prowls about your houses at midnight, all ply their trade and save their consciences with the conviction that many men of millions get in one way or another immunity for their crimes.

Mr. President, if this charge is dismissed, this charge in effect against a man of great wealth, a member of the President's Cabinet, a charge preferred by a department of the Government created by the Congress of the United States for the express purpose, among others, of inquiring into just such matters as this, a majority of that commission being of the same political party as the accused officer, repeated and reasserted by the Attorney General of the United States, allied politically in the same way with him, a fellow member of the Cabinet—I say, sir, if this charge is dismissed upon such a pretense of an investigation as has been reviewed here, lie upon your laws! By your vote you will either vindicate or undermine the confidence of the American people in their Government.

#### NATIONAL SESQUICENTENNIAL CELEBRATION

Mr. FESS. I report back favorably without amendment from the Committee on the Library the joint resolution (H. J. Res. 153) providing for the participation of the United States in the sesquicentennial celebration in the city of Philadelphia, Pa., and authorizing an appropriation therefor, and for other purposes.

Mr. PEPPER. I ask for the immediate consideration of the joint resolution reported from the Committee on the Library which has just been sent to the desk.

It will be recalled that on yesterday the Senate added to the urgent deficiency appropriation bill an item of appropriation for the purpose which is specified in pursuance of an estimate from the Budget officer and in pursuance of the passage by the House of the joint resolution which has now been brought before the Senate. This joint resolution is merely in line with the action taken yesterday by the Senate. I am anxious to have it passed upon by the Senate to-day, because to-morrow the conferees on the urgent deficiency appropriation bill will meet, and I desire to have the action taken by the Senate yesterday perfected.

Mr. ROBINSON of Arkansas. The Senator asks unanimous consent for its consideration?

Mr. PEPPER. I have so requested.

The VICE PRESIDENT. Is there objection?

There being no objection, the joint resolution was considered as in Committee of the Whole and it was read, as follows:

*Resolved, etc.,* That in order that there may be exhibited at the Sesquicentennial Exhibition to be held in the city of Philadelphia, Pa., 1926, by the Government of the United States from its executive departments, independent offices, and establishments such articles and materials as illustrate the function and administrative faculty of the Government tending to demonstrate the nature of our institutions and their adaption to the wants of the people and the progress of our people in the advancement of peace, arts, and industries, there is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$1,186,500 for the selection, purchase, preparation, transportation, arrangement, safekeeping, exhibition, and return of such articles and materials as the National Sesquicentennial Exhibition Commission may decide shall be included in said Government exhibit; rent and use of such space and construction of such buildings or other structures as may be necessary; payment of salaries and actual and necessary traveling expenses of officers and employees of the Government detailed to such commission; for such further participation by the several executive departments and establishments as may be deemed advisable; and such other expenditures as may be deemed necessary by the National Sesquicentennial Exhibition Commission as may be considered proper to commemorate the one hundred and fiftieth anniversary of the birth of the Nation: *Provided*, That not more than \$250,000 of the aforesaid sum shall be allocated to the Department of War and not more than \$350,000 of said sum be allocated to the Department of the Navy, of which latter sum \$250,000 shall be used for making the necessary repairs and improvements at the Philadelphia Navy Yard incident to holding this exposition.

SEC. 2. That for the purpose of further participation by the Government of the United States in such exhibition, there is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, the further sum of \$1,000,000; such sum to be expended by the Sesquicentennial International Exposition, upon the written approval of the National Sesquicentennial Exhibition Commission, exclusively for the construction of four or more buildings for exhibition purposes in connection with such Sesquicentennial Exhibition. It is

now declared as the policy of the Government that no deficit which may occur in the expense of the exposition shall be covered by any future appropriation.

SEC. 3. That for the purposes of more effectively carrying out the provisions of this resolution there is hereby created a commissioner of sesquicentennial exposition, to be appointed by the National Sesquicentennial Exposition Commission, whose duty it shall be to carry out the provisions of this resolution. Said commissioner shall be paid, out of the amount authorized by this resolution, such a salary as the National Sesquicentennial Exhibition Commission shall authorize: *Provided*, That such salary shall not be in excess of \$10,000 per annum and that the term of office shall not be extended beyond one year from the date of the approval of this resolution.

The joint resolution was reported to the Senate without amendment, ordered to a third reading, read the third time, and passed.

#### EXECUTIVE SESSION

Mr. JONES of Washington. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session, the doors were reopened.

#### ADJOURNMENT TO MONDAY

While the doors were closed,

Mr. JONES of Washington moved that when the Senate concludes its business to-day it adjourn until Monday next; and the motion was agreed to.

When the doors were reopened,

Mr. JONES of Washington. I move that the Senate adjourn.

The motion was agreed to; and (at 4 o'clock and 15 minutes p. m.) the Senate, under the previous order, adjourned until Monday, February 22, 1926, at 12 o'clock meridian.

#### CONFIRMATIONS

*Executive nominations confirmed by the Senate February 18, 1926*

##### CHIEF JUSTICE SUPREME COURT OF HAWAII

Antonio M. Perry to be chief justice, Supreme Court, Territory of Hawaii.

##### ASSOCIATE JUSTICE, SUPREME COURT OF HAWAII

James J. Banks to be associate justice, Supreme Court, Territory of Hawaii.

##### FIRST JUDGE, FIRST CIRCUIT, CIRCUIT COURT OF HAWAII

Frank Andrade to be first judge, circuit court, first circuit, Territory of Hawaii.

##### SECOND JUDGE, FIRST CIRCUIT, CIRCUIT COURT OF HAWAII

Charles F. Parsons to be second judge, circuit court, first circuit, Territory of Hawaii.

##### CIRCUIT JUDGE, FOURTH CIRCUIT, TERRITORY OF HAWAII

Homer L. Ross to be circuit judge, fourth circuit, Territory of Hawaii.

#### POSTMASTERS

##### INDIANA

Dudley C. Engle, Albany.  
Harvey C. Hyer, Eaton.  
Gilbert M. Jordan, Flora.

##### NEW JERSEY

Bertha A. Chittick, Old Bridge.

##### NEW YORK

Burrell Vastbinder, Addison.  
Baxter H. Betts, Argyle.  
Lester J. Taylor, Arkport.  
Fred A. Shoemaker, Averill Park.  
Charles Ray, Barker.  
Clarence B. Newhouse, Bloomingburg.  
Fred H. Woolshlager, Castorland.  
E. Adelbert Totman, Cincinnati.  
Truman Y. Burr, Cohecton.  
Leander C. Gregory, Croton Falls.  
Floyd W. Ryan, Dalton.  
Lee W. Locke, Edmeston.  
Charles A. Daniels, Gilbertsville.  
Linn C. Beebe, Hamilton.  
Wirt N. Moulthrop, Kenoza Lake.  
Ella Babcock, Lake Huntington.  
Mamie B. Evans, Machias.  
Amideas J. Hinman, Mohawk.  
McKenzie B. Stewart, Mooers.

Leo F. Wixom, North Cohocton.  
 Lewis L. Erhart, Pleasant Valley.  
 Clarence B. Dibble, Sidney Center.  
 John G. Cole, Waterford.  
 Willis J. Stone, West Chazy.

## PENNSYLVANIA

Harvey E. Brinley, Birdsboro.  
 Lena M. Trettel, Coal Center.  
 Rufus H. Ingraham, Genesee.  
 William K. Speer, Harrisville.  
 Benjamin F. Evans, Hopewell.  
 Alfred L. Evans, Kane.  
 William L. Swarm, Millheim.  
 Benjamin L. Ross, Monongahela.  
 Alice Krebs, Pottsville.  
 Gilbert C. McIntyre, Six Mile Run.  
 Albert E. Franklin, Sutersville.  
 Hettie C. Taylor, Westtown.  
 Jacob M. Aiken, Yeagertown.

## HOUSE OF REPRESENTATIVES

THURSDAY, February 18, 1926

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Father in heaven, hallowed be Thy holy name. Take out of every individual breast all resentment, all selfishness, all unworthy ambition. Then shall we see the growing outlines of the ideal man, the ideal country, and the ideal home. May our daily lives be consistent and harmonious with the precepts our mothers taught us when we made her knees the altar of our young hearts. Pour Thy redemptive energy into all souls and impress us that it is simplicity in all the expressions of our lives, which is the terminal point of progress. Reinforce in us the essential attributes of love, purity, and gentleness and Thine shall be the glory. Through Christ our Saviour. Amen.

The Journal of the proceedings of yesterday was read and approved.

## MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had passed with amendments the bill of the following title, in which the concurrence of the House of Representatives was requested:

H. R. 8722. An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1926, and June 30, 1927, and for other purposes.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 37. An act for the relief of First Lieut. Harry L. Rogers, Jr.;

S. 69. An act for the relief of the legal representatives of Robert Dillon;

S. 104. An act to carry out the decree of the United States District Court for the Eastern District of Pennsylvania in the case of United States of America, owner of the steam dredge *Delaware*, against the steamship *A. A. Raven*, American Transportation Co., claimant, and to pay the amount decreed to be due said company;

S. 519. An act for the relief of Perley Morse & Co.;

S. 521. An act for the relief of August Michalchuk;

S. 545. An act for the payment of damages to certain citizens of New Mexico caused by reason of artificial obstructions to the flow of the Rio Grande by an agency of the United States;

S. 547. An act for the relief of James W. Laxon;

S. 549. An act for the relief of John H. Walker;

S. 553. An act for the relief of Fred V. Plomteaux;

S. 554. An act for the relief of Frank Grygla;

S. 590. An act for the relief of Emily L. Hoffbauer;

S. 613. An act for the relief of Archibald L. Macnair;

S. 726. An act for the relief of Hilbert Edison and Ralph R. Walton;

S. 776. An act to authorize and provide for the payment of the amounts expended in the construction of hangars and the maintenance of flying fields for the use of the Air Mail Service of the Post Office Department;

S. 835. An act for the relief of the Rodefer Glass Co.;

S. 959. An act for the relief of Tena Pettersen;

S. 1059. An act for the relief of R. Clyde Bennett;

S. 1093. An act for the relief of Nellie Kildee;

S. 1131. An act for the relief of James Doherty;

S. 1144. An act authorizing the Secretary of War to acquire a tract of land for use as a landing field at the air intermediate depot near the city of Little Rock, in the State of Arkansas;

S. 1160. An act for the relief of Immaculato Carlino, widow of Alexander Carlino;

S. 1169. An act authorizing the Secretary of the Interior to convey certain lands in Powell town site, Shoshone reclamation project, Wyoming, to Park County, Wyo.;

S. 1250. An act to amend an act entitled "An act donating public lands to the several States and Territories which may provide colleges for the benefit of agriculture and the mechanic arts," approved July 2, 1862, as amended by the act approved March 3, 1883;

S. 1343. An act for the relief of soldiers who were discharged from the Army during the World War because of misrepresentation of age;

S. 1351. An act for the relief of Wynoma A. Dixon;

S. 1360. An act for the relief of the estate of William P. Nisbett, sr., deceased;

S. 1425. An act for the relief of the legal representative of the estate of Haller Nutt, deceased;

S. 1462. An act permitting Leo Sheep Co., of Rawlins, Wyo., to convey certain lands to the United States and to select other lands in lieu thereof, in Carbon County, Wyo., for the improvement of the Medicine Bow National Forest;

S. 1631. An act for the relief of Capt. Edward T. Hartmann, United States Army, and others;

S. 1632. An act for the relief of the estate of C. C. Spiller, deceased;

S. 1646. An act for the relief of William Zeiss, administrator of William B. Reaney, survivor of Thomas Reaney and Samuel Archbold;

S. 1755. An act for the relief of Francis J. Young;

S. 1794. An act to extend the benefits of the employers' liability act of September 7, 1916, to Gladys L. Brown, a former employee of the Bureau of Engraving and Printing, Washington, D. C.;

S. 1876. An act providing for the sale and disposal of public lands within the area heretofore surveyed as Booth Lake, in the State of Wisconsin;

S. 1886. An act to carry out the findings of the Court of Claims in the case of the Fore River Shipbuilding Co.;

S. 1896. An act for the relief of Lyn Lundquist;

S. 1920. An act for the relief of the devisees of William Rusch, deceased;

S. 1938. An act to issue a patent to John H. Bolton;

S. 2029. An act to authorize the use by the city of Tucson, Ariz., of certain public lands for a municipal aviation field, and for other purposes;

S. 2041. An act to provide for the widening of First Street between G Street and Myrtle Street NE., and for other purposes;

S. 2058. An act for the relief of members of the band of the United States Marine Corps who were retired prior to June 30, 1922, and for the relief of members transferred to the Fleet Marine Corps Reserve;

S. 2091. An act for the relief of Florence Proud;

S. 2128. An act for the relief of Samuel Spaulding;

S. 2197. An act for the relief of Paul B. Belding;

S. 2266. An act granting certain public lands to the city of Stockton, Calif., for flood control, and for other purposes;

S. 2281. An act to authorize the maintenance and renewal of a timber frame trestle in place of a fixed span at the Wisconsin end of the steel bridge of the Duluth & Superior Bridge Co. over the St. Louis River between the States of Wisconsin and Minnesota;

S. 2307. An act authorizing sale of certain lands to the Yuma Chamber of Commerce, Yuma, Ariz.;

S. 2533. An act for the relief of R. P. Rueth, of Chamita, N. Mex.;

S. 2616. An act for the relief of Herman Shulof;

S. 2656. An act for the relief of the estates of John Frazer, deceased, Zephaniah Kingsley, deceased, John Bunch, deceased, Jehu Underwood, deceased, and Stephen Vansandt, deceased;

S. 2658. An act to authorize the Secretary of War to fix all allowances for enlisted men of the Philippine Scouts; to validate certain payments for travel pay, commutation of quarters, heat, light, etc., and for other purposes;

S. 2673. An act to amend the act approved June 3, 1896, entitled "An act to establish and provide for the maintenance of a free public library and reading room in the District of Columbia";



S. 2784. An act granting the consent of Congress to the Louisiana Highway Commission to construct, maintain, and operate a bridge across the Black River at or near Jonesville, La.;

S. 2785. An act granting the consent of Congress to the Louisiana Highway Commission to construct, maintain, and operate a bridge across the Ouachita River at or near Harrisonburg, La.;

S. 2825. An act to grant the consent and approval of Congress to the South Platte River compact;

S. 2828. An act to provide for forfeiture of pay of persons in the military and naval services of the United States who are absent from duty on account of the direct effects of the intemperate use of alcoholic liquor or habit-forming drugs or because of venereal disease;

S. 2854. An act to authorize payment of claims in admiralty arising from operation of Army transport service;

S. 2887. An act for the relief of Philip T. Post; and

S. 2993. An act to allow credits in the accounts of certain disbursing officers of the Department of the Interior.

#### DEFICIENCY APPROPRIATION BILL

Mr. MADDEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 8722, the deficiency bill, to disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from Illinois asks unanimous consent to take from the Speaker's table the bill H. R. 8722, the deficiency bill, to disagree to the Senate amendments, and ask for a conference. The Clerk will report the bill by title.

The Clerk read as follows:

An act (H. R. 8722) making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926, and prior fiscal years, and to provide urgent supplemental appropriations for the fiscal year ending June 30, 1926, and June 30, 1927, and for other purposes.

The SPEAKER. Is there objection? [After a pause.] The Clerk will report the conferees.

The Clerk read as follows:

Mr. MADDEN, Mr. ANTHONY, and Mr. BYRNS.

#### VACANCY, BOARD OF REGENTS SMITHSONIAN INSTITUTION

Mr. MOORE of Virginia. Mr. Speaker, I ask unanimous consent that the Committee on the Library be discharged from further consideration of Senate Joint Resolution 41, and that that resolution be immediately considered.

The SPEAKER. The gentleman from Virginia asks unanimous consent that the Committee on the Library be discharged from the consideration of Senate Joint Resolution 41, which the Clerk will report.

The Clerk read as follows:

Senate joint resolution (S. J. Res. 41) providing for the filling of a proximate vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress

*Resolved, etc.*, That the vacancy in the Board of Regents of the Smithsonian Institution of the class other than Members of Congress that will occur March 19, 1926, by reason of the expiration of the term of Charles F. Choate, Jr., of Massachusetts, be filled by the reappointment of the said Charles F. Choate, Jr., for the ensuing term.

The SPEAKER. Is there objection to the consideration? [After a pause.] The Chair hears none.

The joint resolution was ordered to be read a third time, was read the third time, and passed.

#### BRIDGE ACROSS THE BIG SANDY RIVER, KY.

Mr. BARKLEY. Mr. Speaker, I ask unanimous consent for the present consideration of the bill H. R. 5043, which I send to the Clerk's desk.

The SPEAKER. The gentleman from Kentucky asks unanimous consent for the immediate consideration of the bill which the Clerk will report. Before the Clerk reports the bill the Chair would like to state that he feels it would be a wise policy on the part of the Chair to, as a general rule, refuse recognition for the consideration of bills which are either on or have a right to be on the Consent Calendar. He thinks such recognition should only be given when it is evident a very distinct emergency exists which might involve a loss, perhaps a financial loss, or might cause a delay which would be prejudicial to the public interest. The gentleman from Kentucky in speaking to the Chair about this bill has convinced the Chair that a real emergency exists in this case, and the Chair therefore recognized him. Is there objection?

Mr. BLANTON. Let us have the bill reported.

Mr. BEGG. I would like to know what is the emergency in reference to a bridge bill that it can not wait 10 days.

The SPEAKER. The Clerk will report the bill.

The Clerk read as follows:

A bill (H. R. 5043) granting the consent of Congress to the Midland & Atlantic Bridge Corporation, a corporation, to construct, maintain, and operate a bridge across the Big Sandy River between the city of Catlettsburg, Ky., and a point opposite in the city of Kenova, in the State of West Virginia

*Be it enacted, etc.*, That the consent of Congress is hereby granted to the Midland & Atlantic Bridge Corporation, a corporation, its successors and assigns, to construct, maintain, and operate a bridge and approaches thereto, across the Big Sandy River at a point suitable to the interests of navigation, one end of such bridge being in the city of Catlettsburg, in the State of Kentucky, and the other end at a point on the opposite side of said river, in the city of Kenova, in the State of West Virginia, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906.

SEC. 2. That the right to alter, amend, or repeal this act is hereby expressly reserved.

The committee amendments were read, as follows:

Page 1, line 8, strike out the word "being" and insert the words "to be."

Page 2, strike out all of lines 6 and 7 and insert the following new matter:

"SEC. 2. That said Midland & Atlantic Bridge Corporation, its successors and assigns, are hereby authorized and empowered to fix and charge just and reasonable tolls for the passage over such bridge of pedestrians, animals, and vehicles adapted to travel on public highways, and the rates so fixed shall be the legal rates until the Secretary of War shall prescribe other rates of toll as provided in the act of March 23, 1906.

"SEC. 3. That the States of West Virginia and Kentucky, or any official agency of either thereof or any political or other subdivision or subdivisions thereof within or adjoining which such bridge is located, may jointly or severally at any time after 15 years from the completion of such bridge, by agreement or condemnation in accordance with the laws of either of such States governing the acquisition of private property for public purposes by condemnation, acquire all right, title, and interest in such bridge and the approaches and appurtenances thereto for the purpose of maintaining and operating such bridge as a free bridge. If such bridge is acquired as aforesaid by condemnation, in determining the measure of damages or compensation to be paid for the same, there shall not be included any credit or allowance for good will, going value, or prospective revenues or profits, but the same shall be limited to such an amount not exceeding the original cost thereof as shall represent the cash value of the bridge and its approaches and appurtenances and any improvements thereto at the time of such acquisition. After five years from the date of acquiring such bridge by such State or States or any official agency or agencies thereof, or any political or other subdivision or subdivisions thereof, the same shall be maintained and operated as a free bridge.

"SEC. 4. The said Midland & Atlantic Bridge Corporation, its successors and assigns, shall immediately upon the completion of such bridge, file with the State highway departments of the States of West Virginia and Kentucky an itemized sworn statement of the actual original cost of such bridge and its approaches and appurtenances, including any reasonable actual expenditures for engineering and legal services and any reasonable fees, discounts, and expenditures incurred in connection with the original financing thereof. Such itemized statement of cost may be investigated by the highway department of either of such States at any time within three years after the completion of such bridge and verified or corrected, and its findings shall be conclusive upon all persons, subject only to review in a court of equity for fraud or gross mistake.

"SEC. 5. That the right to alter, amend, or repeal this act is hereby expressly reserved."

The SPEAKER. Is there objection to the present consideration of the bill?

Mr. BEGG. Mr. Speaker, reserving the right to object, I hesitate to do this after the Speaker's statement, but what is the emergency that could not allow this bill to wait nine days?

Mr. BARKLEY. I will explain to the gentleman. In the first place, the Committee on Interstate and Foreign Commerce has been very busy with holding hearings on the rubber investigation and the railroad bill, and it has been compelled to delay the reporting out of bridge bills.

Mr. BEGG. There have been a lot of them passed, and there are more of them on the calendar.

Mr. BARKLEY. I understand this bill would have been ready last Monday and passed had it not been that the public buildings bill intervened.

Mr. BEGG. That would include the rest of them.

Mr. BARKLEY. There has been about \$35,000 or \$40,000 already expended in getting ready for the construction of this bridge. The contractor is on the ground now with his men ready to go to work, and to delay it for 10 days or 2 weeks would not only involve damage as to that, but the Big Sandy River drains the mountainous sections of Kentucky, West Virginia, and Virginia, and the spring rains are liable to commence falling in the mountainous sections of that country in the next week or two weeks, which will result in swelling the water in the Big Sandy River until it may delay the construction of this bridge until May or June. In view of that condition a real emergency exists, and it is desirable that the contractor go to work at once. The weather conditions and the stage of the water at present are such that the contractor can work at this time if the bill is passed immediately.

Mr. BEGG. Can they build this bridge in the next three weeks?

Mr. BARKLEY. No; but they can begin the construction of the cofferdams and the necessary substructures which will have to be put into the water. If they are compelled to wait until the water gets up to the banks of the river, it will be too late to commence until early summer. In view of that fact, I hope the gentleman will not object, because I would not ask for the consideration of this bill at this time if it were not a real emergency.

Mr. BEGG. I hesitate to object, but I certainly think it is not a proper procedure to bring up these bills, and I hope gentlemen on that side will not ask for this again.

Mr. GARRETT of Tennessee. Will the gentleman from Ohio permit an interruption?

Mr. BEGG. Yes.

Mr. GARRETT of Tennessee. It is not frequently done but it is not unusual at all to pass bridge bills on days other than Mondays. There are many precedents for it.

Mr. BEGG. If the gentleman will permit, if the Speaker saw fit to take up all of the bridge bills and pass them this morning, I would not say a word against it. I will say frankly to the gentleman from Kentucky that there seems to me to be nothing unusual about this situation, and it seems to me the matter could easily wait for a week or 10 days. I have lived in that neighborhood, and the chances are the water will remain as it is to-day for the next three weeks or a month, because if the rains have begun in that section the Big Sandy River has started to rise.

Mr. BARKLEY. The gentleman's remarks would indicate that he did not pay as much attention to the water there as he should have paid.

Mr. BEGG. I will say to the gentleman that I left plenty of water there. I will not object this time, Mr. Speaker, but I do not believe I will let this happen any more on bridge bills.

The SPEAKER. Is there objection to the present consideration of the bill?

There was no objection.

Mr. BARKLEY. Mr. Speaker, there is one slight amendment which should be made to the bill. By oversight the word "gross" was inserted in the fourth section just before the word "mistake," at the end of the section. I want to move to strike out the word "gross," so that the court may review any mistake.

The SPEAKER. The gentleman from Kentucky offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 4, line 3, strike out the word "gross."

The amendment was agreed to.

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

#### ASSIGNMENT OF ARMY OFFICERS

Mr. BANKHEAD. Mr. Speaker, I call up a privileged resolution, House Resolution 128.

The SPEAKER. The gentleman from Alabama calls up a privileged resolution, which the Clerk will report.

The Clerk read as follows:

#### House Resolution 128

*Resolved*, That the Secretary of War be, and he is hereby, directed to report to the House of Representatives at as early a date as may be practicable the following information:

First. The total number of commissioned officers of the Army of the United States who are now assigned and engaged in duties of a civilian nature and not strictly in line with their military duties as officers of the Army.

Second. The individual names of such officers, their rank, and the nature of the duty to which they have been assigned.

The SPEAKER. Is there objection to the present consideration of this resolution?

Mr. CHINDBLOM. Mr. Speaker, reserving the right to object, is the matter privileged?

Mr. GARRETT of Tennessee. Mr. Speaker, the resolution is privileged, and therefore does not require unanimous consent.

The SPEAKER. Has the bill been reported?

Mr. BANKHEAD. It has not.

The SPEAKER. As the resolution has not yet been reported, the Chair thinks it would require unanimous consent.

Mr. BANKHEAD. It has not been reported by the Committee on Military Affairs, to which it was referred, and I am calling it up under the rule as a privileged resolution. It is a resolution of inquiry which has been referred to the Committee on Military Affairs, but that committee has failed to make a report on it within seven days.

The SPEAKER. The committee has not reported the resolution?

Mr. BANKHEAD. No; the committee has not reported it. I am assuming it is a privileged resolution, because they have not so reported it, as it was their duty to do within seven days after it was referred to the committee.

The SPEAKER. The Chair thinks the gentleman has not put the motion in the proper way. The proper motion would be to discharge the committee from the further consideration of the resolution and consider it.

Mr. BANKHEAD. I think the Chair is correct in his statement. I therefore move, Mr. Speaker, that the Committee on Military Affairs be discharged from the further consideration of House Resolution 128 and that the resolution be put upon its passage.

The SPEAKER. The Chair thinks that motion is in order. The question is on agreeing to the motion of the gentleman from Alabama to discharge the Committee on Military Affairs from the further consideration of House Resolution 128.

The question was taken, and the Committee on Military Affairs was discharged from the further consideration of said resolution.

The SPEAKER. The question is on agreeing to the resolution.

The question was taken, and the resolution was agreed to.

#### MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, one of its clerks, announced that the Senate had passed the following order:

*Ordered*, That the House of Representatives be requested to return to the Senate the bill S. 2307, entitled "An act authorizing the Secretary of the Interior to exchange certain lands in order to acquire land for a municipal aviation field at Yuma, Ariz."

Also the following:

*Ordered*, That the House of Representatives be requested to return to the Senate the bill H. R. 4785, entitled "An act to enable the Rock Creek and Potomac Parkway Commission to complete the acquisition of the land authorized to be acquired by the public buildings appropriation act, approved March 4, 1918, for the connecting parkway between Rock Creek Park, the Zoological Park, and Potomac Park."

Also the following:

*Ordered*, That the House of Representatives be requested to return to the Senate the bill S. 776, entitled "An act to authorize and provide for the payment of the amounts expended in the construction of hangars and the maintenance of flying fields for the use of the Air Mail Service of the Post Office Department."

The message also announced that the Senate had insisted upon its amendment to the bill H. R. 8722, entitled "An act making appropriations to supply urgent deficiencies in certain appropriations for the fiscal year ending June 30, 1926, and prior fiscal years, to provide urgent supplemental appropriations for the fiscal years ending June 30, 1926, and June 30, 1927, and for other purposes," disagreed to by the House of Representatives, had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. WARREN, Mr. CURTIS, and Mr. OVERMAN as the conferees on the part of the Senate.

#### SENATE BILLS REFERRED

Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 37. An act for the relief of First Lieut. Harry L. Rogers, Jr.; to the Committee on Claims.



S. 69. An act for the relief of the legal representatives of Robert Dillon; to the Committee on War Claims.

S. 104. An act to carry out the decree of the United States District Court for the Eastern District of Pennsylvania in the case of the United States of America, owner of the steam dredge *Delaware*, against the steamship *A. A. Raven*, American Transportation Co., claimant, and to pay the amount decreed to be due said company; to the Committee on Claims.

S. 519. An act for the relief of Perley Morse & Co.; to the Committee on Claims.

S. 521. An act for the relief of August Michalchuk; to the Committee on Claims.

S. 547. An act for the relief of James W. Laxon; to the Committee on Claims.

S. 553. An act for the relief of Fred V. Plomteaux; to the Committee on Claims.

S. 590. An act for the relief of Emily L. Hoffbauer; to the Committee on Claims.

S. 613. An act for the relief of Archibald L. Macnair; to the Committee on Claims.

S. 726. An act for the relief of Hilbert Edison and Ralph R. Walton; to the Committee on Claims.

S. 835. An act for the relief of the Rodefer Glass Co.; to the Committee on Claims.

S. 959. An act for the relief of Tena Pettersen; to the Committee on Claims.

S. 1059. An act for the relief of R. Clyde Bennett; to the Committee on War Claims.

S. 1093. An act for the relief of Nellie Kildee; to the Committee on the Public Lands.

S. 1131. An act for the relief of James Doherty; to the Committee on Claims.

S. 1144. An act authorizing the Secretary of War to acquire a tract of land for use as a landing field at the air intermediate depot near the city of Little Rock in the State of Arkansas; to the Committee on Military Affairs.

S. 1160. An act for the relief of Immaculato Carlino, widow of Alexander Carlino; to the Committee on Claims.

S. 1169. An act authorizing the Secretary of the Interior to convey certain lands in Powell town site, Shoshone reclamation project, Wyoming, to Park County, Wyo.; to the Committee on Public Lands.

S. 1250. An act to amend an act entitled "An act donating public land to the several States and Territories which may provide colleges for the benefit of agriculture and the mechanic arts," approved July 2, 1862, as amended by the act approved March 3, 1883; to the Committee on the Public Lands.

S. 1351. An act for the relief of Wynona A. Dixon; to the Committee on War Claims.

S. 1360. An act for the relief of the estate of William P. Nisbett, sr., deceased; to the Committee on Claims.

S. 1425. An act for the relief of the legal representative of the estate of Haller Nutt, deceased; to the Committee on War Claims.

S. 1462. An act permitting Leo Sheep Co., of Rawlins, Wyo., to convey certain lands to the United States and to select other lands in lieu thereof, in Carbon County, Wyo., for the improvement of the Medicine Bow National Forest; to the Committee on the Public Lands.

S. 1631. An act for the relief of Capt. Edward T. Hartmann, United States Army, and others; to the Committee on Claims.

S. 1632. An act for the relief of the estate of C. C. Spiller, deceased; to the Committee on War Claims.

S. 1646. An act for the relief of William Zeiss, administrator of William B. Reaney, survivor of Thomas Reaney and Samuel Archbold; to the Committee on War Claims.

S. 1755. An act for the relief of Francis J. Young; to the Committee on Claims.

S. 1794. An act to extend the benefits of the employers' liability act of September 7, 1916, to Gladys L. Brown, a former employee of the Bureau of Engraving and Printing, Washington, D. C.; to the Committee on Claims.

S. 1876. An act providing for the sale and disposal of public lands within the area heretofore surveyed as Booth Lake, in the State of Wisconsin; to the Committee on the Public Lands.

S. 1886. An act to carry out the findings of the Court of Claims in the case of the Fore River Shipbuilding Co.; to the Committee on Claims.

S. 1896. An act for the relief of Lyn Lundquist; to the Committee on the Public Lands.

S. 1920. An act for the relief of the devisees of William Rusch, deceased; to the Committee on the Public Lands.

S. 1938. An act to issue a patent to John H. Bolton; to the Committee on the Public Lands.

S. 2029. An act to authorize the use by the city of Tucson, Ariz., of certain public lands for a municipal aviation field, and for other purposes; to the Committee on the Public Lands.

S. 2041. An act to provide for the widening of First Street between G Street and Myrtle Street NE., and for other purposes; to the Committee on the District of Columbia.

S. 2058. An act for the relief of members of the band of the United States Marine Corps who were retired prior to June 30, 1922, and for the relief of members transferred to the Fleet Marine Corps Reserve; to the Committee on Naval Affairs.

S. 2091. An act for the relief of Florence Proud; to the Committee on Claims.

S. 2128. An act for the relief of Samuel Spaulding; to the Committee on Military Affairs.

S. 2197. An act for the relief of Paul B. Belding; to the Committee on Claims.

S. 2266. An act granting certain public lands to the city of Stockton, Calif., for flood control, and for other purposes; to the Committee on the Public Lands.

S. 2281. An act to authorize the maintenance and renewal of a timber-frame trestle in place of a fixed span at the Wisconsin end of the steel bridge of the Duluth & Superior Bridge Co. over the St. Louis River between the States of Wisconsin and Minnesota; to the Committee on Interstate and Foreign Commerce.

S. 2533. An act for the relief of R. P. Rueth, of Chamita, N. Mex.; to the Committee on Claims.

S. 2616. An act for the relief of Herman Shulof; to the Committee on Claims.

S. 2656. An act for the relief of the estates of John Frazer, deceased, Zephaniah Kingsley, deceased, John Bunch, deceased, Jehu Underwood, deceased, and Stephen Vansandt, deceased; to the Committee on Claims.

S. 2658. An act to authorize the Secretary of War to fix all allowances for enlisted men of the Philippine Scouts, to validate certain payments for travel pay, commutation of quarters, heat, light, etc., and for other purposes; to the Committee on Military Affairs.

S. 2673. An act to amend the act approved June 3, 1896, entitled "An act to establish and provide for the maintenance of a free public library and reading room in the District of Columbia"; to the Committee on the District of Columbia.

S. 2828. An act to provide for forfeiture of pay of persons in the military and naval services of the United States who are absent from duty on account of the direct effects of the intemperate use of alcoholic liquor or habit-forming drugs or because of venereal disease; to the Committee on Military Affairs.

S. 2854. An act to authorize payment of claims in admiralty arising from operation of Army transport service; to the Committee on Military Affairs.

S. 2887. An act for the relief of Philip T. Post; to the Committee on Claims.

S. 2993. An act to allow credits in the accounts of certain disbursing officers of the Department of the Interior; to the Committee on Claims.

#### INDEPENDENT OFFICES APPROPRIATION BILL

Mr. WOOD. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9341, the independent offices appropriation bill. I have conferred with the gentleman from Louisiana [Mr. SANDLIN] with reference to an agreement as to time. The gentleman from Louisiana has requests enough, and so have I on this side, to occupy the entire day, so we have agreed to run along to-day and see if we can not agree on time to-morrow morning.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. WOOD. Yes.

Mr. CHINDBLOM. With the same agreement as was made yesterday in regard to the division of time?

Mr. WOOD. Yes.

The SPEAKER. The gentleman from Indiana moves that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9341, the independent offices appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. BEGG in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 9341, the independent offices appropriation bill, which the Clerk will report.

The Clerk read the title of the bill.

Mr. SANDLIN. Mr. Chairman, I yield myself 30 minutes.

Mr. Chairman and gentlemen of the committee, the chairman of the subcommittee will, at a later time in the discussion of this bill, go more into the details than I will myself. I desire, however, to call attention to several of the items that have

impressed me more than the others, perhaps, and to go into detail with reference to those particular items.

I ask, Mr. Chairman, unanimous consent to insert as a part of my remarks a table which I have prepared:

*Independent offices appropriation bill, 1927*

[A comparative statement of the amounts appropriated for 1926, the Budget estimates for 1927, and the amounts recommended in the accompanying bill for 1927]

Object	Appropriations for 1926 in the independent offices, deficiency, and other acts	Budget estimates for 1927, regular annual and supplemental	Amount recommended in the bill for 1927	Increase (+), decrease (-) bill, compared with 1926 appropriation	Increase (+), decrease (-) bill, compared with 1927 Budget estimates
Executive Office.....	\$489,960	\$441,960	\$444,460	-\$45,500	+\$2,500
Alien Property Custodian.....	189,220	130,650	130,650	-58,570	
American Battle Monuments Commission.....	( <sup>1</sup> )	800,000	800,000	+800,000	
Arlington Memorial Bridge Commission.....		2,500,000	2,500,000	+2,500,000	
Board of Tax Appeals.....	354,320	448,616	448,616	+94,296	
Bureau of Efficiency.....	150,350	210,350	210,350	+60,000	
Civil Service Commission.....	1,008,092	1,001,592	1,001,592	-6,500	
Commission of Fine Arts.....	6,500	5,295	5,295	-1,205	
Employees' Compensation Commission.....	2,301,500	2,742,040	2,741,040	+439,540	-1,000
Federal Board for Vocational Education.....	860,000	843,620	843,620	-16,380	
Federal Power Commission.....	28,800	28,400	29,400	+2,600	+1,000
Federal Trade Commission.....	1,008,000	997,000	997,000	-11,000	
General Accounting Office.....	3,701,960	3,714,400	3,714,400	+12,440	
Housing Corporation.....	743,915	674,398	673,398	-70,517	-1,000
Interstate Commerce Commission.....	6,833,962	6,153,157	6,153,157	-700,805	
National Advisory Committee for Aeronautics.....	534,000	513,000	513,000	-21,000	
Public Buildings and Public Parks of the National Capital.....	2,282,505	2,293,850	2,301,850	+11,345	+8,000
Railroad Labor Board.....	266,805	285,220	285,220	+18,415	
Smithsonian Institution.....	814,020	798,240	832,801	+18,781	+34,561
Tariff Commission.....	721,500	669,000	669,000	-52,500	
United States Shipping Board.....	24,330,000	14,198,574	14,198,574	-10,131,426	
United States Veterans' Bureau.....	405,700,000	462,965,000	462,965,000	+57,265,000	
Grand total, regular annual appropriations.....	452,373,959	502,444,707	502,488,768	+50,106,809	+44,061

<sup>1</sup> Use of unexpended balances.

The CHAIRMAN. The gentleman from Louisiana asks unanimous consent to extend his remarks in the manner indicated. Is there objection?

There was no objection.

Mr. SANDLIN. Gentlemen of the committee, the bill now under consideration carries a total appropriation of \$502,488,768. There was appropriated in this same bill for the fiscal year 1926, \$452,373,959. The Budget estimate for this fiscal year of 1927 is \$502,444,707.

Therefore there is an increase of \$50,106,809 over the same appropriation bill of 1926 and an increase of \$44,061 over the amount estimated by the Budget.

Two of the largest items in this bill are those for the United States Shipping Board, which is \$14,198,574, and for the United States Veterans' Bureau, \$462,965,000. In the latter item there is an increase of \$57,265,000 over the amount appropriated in the bill for 1926. I will say to the gentlemen of the committee that, in addition, there is now in the deficiency bill which has just gone to conference between the two Houses an additional appropriation of \$105,000,000 for the Veterans' Bureau, making a total appropriation of something like \$567,000,000 for that activity of the Government for the fiscal year 1927.

You will notice in the appropriation for the Shipping Board there has been a reduction of \$10,131,042. While there has been a reduction in the appropriation, gentlemen of the committee, there has also been a reduction in the operations of that activity of the Government.

I want to call attention to some statements that have been made by the chairman of the Shipping Board with reference to what he calls the slipping of that institution. In my humble opinion, there is no more important activity of the Federal Government than the merchant marine. I am impressed with the patriotism of the American people when we are at war or when there is a Fourth of July celebration, but after that is all over, if we were more patriotic during peace times, probably it would be a better evidence of our patriotism rather than waiting until we are confronted with war.

Some of the Representatives of this body who live in the interior may not be impressed with the need of a merchant marine, but it matters not the section of the country from which we come every individual in this great country of ours is interested, and should be intensely interested, in a merchant marine. Those of us who live in sections of the country that produce the cotton and the wheat and the other farm products of this country should be deeply interested. I wish to call your attention to the situation that the cotton growers in the South were in at the beginning of the war, when there were taken from the seas the ships that had conveyed our cotton to foreign buyers. My friends, you could hardly give away a bale of cotton. Then also I wish to call your attention to the situation the wheat growers were in about a year ago, when

there was congestion at the southern ports of the country, with enormous shipments of wheat at the southern ports. The wheat growers were anxious to get that wheat into the hands of the foreign buyers across the seas, and had it not been for the vessels of the United States Shipping Board that wheat would have remained at those ports for months. As it was, having ships they could send there, they did so, and in a short time the wheat was put into the hands of the foreign buyers.

It is also easy to criticize, and it is much easier to diagnose sometimes than to prescribe for the trouble or to cure the trouble, but that can be done. We see here day after day appropriation bills being passed that carry millions of dollars for the War Department and the Navy Department. I think the trouble, my friends, is that we put this activity in a different class from some of our other activities, and put it in a class where it does not belong. The question is often asked, How much do we lose through the operation of these boats. We might ask, gentlemen, how much do we lose by appropriating \$300,000,000 for the War Department or over \$300,000,000 for the Department of the Navy. We might ask how much do we lose by appropriating \$80,000,000 to be spent upon the roads of the country. We might ask how much do we lose by appropriating \$50,000,000 for the rivers and harbors of our country.

In my opinion, gentlemen, no dollar of the American people's money could be spent to better advantage than that which is spent in maintaining an efficient merchant marine.

There are many causes, I think, for this activity not succeeding. I think one of the main causes is that some of our American citizens, who, as I say, are patriotic in times of war and on days of celebration, are interested in other merchant marines by reason of the money they have invested; for instance, in the English companies. This has something to do with it. Then, of course, we know that the shippers in England and in other countries, day and night, are looking out for the interests of their ships. I want to read into the RECORD a letter that was written by an English shipper which will show the attitude of those people in regard to their merchant marine. This letter was written to the agent of the American Lines in London by a British shipper, and is as follows:

AMERICAN LINES.

DEAR SIR: In reply to your letters of the 18th and 29th ultimo. On no consideration whatever will my customers or myself receive any goods that are shipped by other steamers than British, especially from the United States of America.

To enable us to pay the pound of flesh and blood which the United States of America demands from us, we must do our best to support British ships.

Yours faithfully,

WM. H. BANKIER.



Mr. KING. Will the gentleman yield?

Mr. SANDLIN. I yield to the gentleman.

Mr. KING. Did I understand the gentleman to say the letter was written to the "American liars" in London?

Mr. SANDLIN. No, sir; the gentleman misunderstood me. There may be some there, but this is addressed to the "American Lines."

It is interesting and also encouraging to note that some of our American shippers are interested in our own merchant marine.

Mr. McDUFFIE. Will the gentleman please state what the date of that letter was that he just read.

Mr. SANDLIN. It is not dated; it is copied into the report of the chairman. Now, I have two other letters, and I guess all Members of Congress have received them, but I think it will be well to read them. The first is a letter from the Middle West Foreign Trade Committee, and is as follows:

MIDDLE WEST FOREIGN TRADE COMMITTEE,  
Cincinnati, Ohio, January 25, 1926.

Hon. JOHN N. SANDLIN,

House of Representatives, Washington, D. C.

DEAR MR. SANDLIN: The Middle West Foreign Trade Committee, which is composed of commercial and industrial organizations of the interior of the country and is affiliated with the national farm organizations, is intensely interested in the development of the American merchant marine, and we are very anxious to develop the merchant marine as soon as possible in the hands of private owners. However, our position has been that, until this can be done on a satisfactory and permanent basis, the Government should continue to operate the essential services in the belief that the expense is justified by the increased commerce of the United States, thus relieving us from being dependent upon foreign monopolies in this particular instance.

What we are interested in at the present moment is the possibility that the appropriation for the Shipping Board and the Fleet Corporation may be reduced, under the idea of economy, to a point where successful operation may be prevented, or at least to a point where the board and the Fleet Corporation will be handicapped to a great extent.

As we understand it, the Shipping Board situation at present is as follows: The board requested the Bureau of Budget to grant \$22,000,000; Admiral Palmer, when head of the Fleet Corporation, stated he could get along with, he thought, about \$18,000,000. These figures were based on the board being relieved of certain services through purchase. One of these has been returned to the board, and others may come back. So far the Budget Bureau has been unwilling to grant more than slightly less than \$14,000,000, although the chairman of the board is still negotiating with the Budget Director.

We wish to call your attention to the vital necessity of the lines being now maintained with sufficient tonnage to meet all present requirements and provisions made so that the Fleet Corporation will be prepared to expand these services.

The board should not be forced to sacrifice lines to people who can not possibly maintain them, under present conditions, permanently; and the board should be able at any time to take back and operate any line that can not be continued by a private company. We also feel that the board should be empowered and have a fund set aside in order to protect any lines it sells to private companies, should the foreign steamship lines, who are strongly entrenched, attempt to drive these newly organized companies out of business.

We shall appreciate it very much if you will take all these matters into consideration in any deliberations regarding the continuance of the merchant marine and thank you very much for your cooperation in the past in every effort to develop a first-class American merchant marine.

Yours very truly,

MALCOLM M. STEWART, Chairman.

Mr. McDUFFIE. Will the gentleman yield again?

Mr. SANDLIN. I will.

Mr. McDUFFIE. I am sure that the committee will be interested to know whether the operations of the Shipping Board have been curtailed in any great degree.

Mr. SANDLIN. Yes. I will give the number of ships operated in 1924, 1925, and 1926. Here is another letter from the Armco International Corporation, and is as follows:

MIDDLETOWN, OHIO, January 29, 1926.

Hon. JOHN N. SANDLIN,

House of Representatives, Washington, D. C.

DEAR SIR: We understand that at this time you are considering the question of the appropriation for the Shipping Board and Fleet Corporation.

We have been endeavoring to divert as much of our tonnage as we possibly can to American-flag ships, and I recently wrote our freight man in New York congratulating him on some particularly good work in

that connection. His reply arrived to-day, and a paragraph from it is quoted herewith:

"Thanks very much, indeed, for your kind letter of the 21st, and it makes us feel rather pleased. There is only one thing that I regret, and that is we can not get enough American-flag boats to ship on, particularly to Australia. We have about five to one; and whenever there is an American-flag boat on berth we line up everything we can find."

The comment he makes in connection with Australia is equally true to most other foreign destinations.

We remember very vividly, indeed, the handicaps we operated under when we were at the mercy of freight pools controlled by competing nations' steamship lines.

To our mind the maintenance of a strong American-flag fleet on the high seas is essential to our continued commercial progress in peace and to our military success in war; hence we greatly hope that you will use your influence toward obtaining a budget large enough to keep the American flag on important trade routes, either through governmental operation or through adequate support of any private lines which take these ships to operate them.

Respectfully,

THE ARMCO INTERNATIONAL CORPORATION,  
E. A. EMERSON,

Vice President and Managing Director.

I only read these letters to show that there are some American shippers who are interested in having a large merchant marine.

On the 16th of January, 1926, the Fleet Corporation had in active operation 257 freighters, 11 passenger vessels, and 6 tankers, making in all a fleet of 274 vessels.

Mr. McDUFFIE. Will the gentleman give us the figures for January, 1925, a year ago?

Mr. SANDLIN. The average number of ships in operation in 1924 was 383; in 1925, 333; and estimated for 1926, 294; and for 1927, 263. The gentleman can see that they are materially falling off.

Mr. McDUFFIE. That is, in the actual number of ships; but I am wondering if the service of these vessels has fallen off in proportion.

Mr. SANDLIN. Not in proportion; the gentleman will understand that if there were two lines of railroad leaving New York, and if they did not run on their regular time, the one that ran oftener and more regular would get the business. Take the ships. The ones that run the most regular and the oftener get the business.

Now, I would like to read at this time the service of the ships in operation:

#### SHIPS IN OPERATION

On the 16th of January, 1926, the Fleet Corporation had in active operation for its account 257 freighters, 11 passenger vessels, and 6 tankers, making in all an active fleet of 274 vessels. The passenger vessels are divided between two services—one from north Pacific to the Orient, and the other from New York to the United Kingdom and northern Europe. The cargo services are world-wide, 60 being operated to the United Kingdom and Ireland, 8 to Scandinavian and Baltic ports, 69 to northern Europe, 13 to southern Europe and Mediterranean ports, 14 to Africa, 6 to British India, 11 to Australia and New Zealand, 44 to Japan, China, and the Philippines, 30 to South America, and 2 to the West Indies.

Mr. McDUFFIE. Will the gentleman state how many ships have been sold?

Mr. SANDLIN. The gentleman will find that in a table in the report.

Now, it is difficult to say just what should be done. As far as I am concerned, call it what you will, I would be willing for the Government to help this activity if it is needed, because I think it is one of the most important. I see no more reason why we should not help the merchant marine to keep ships on the ocean to carry the cotton and the wheat as it is to build roads for the farmers to haul the cotton and the wheat over. I can not see why we should not help them as much as we help the railroads to guarantee established rates; that they shall have a certain rate that will enable them to build up lines and keep them running. In other words, the point I make is that we are as much interested in that mode of transportation as we are in any other mode of transportation. It is important to keep alive the merchant marine so that it will have a more deterrent effect on a probable war than a large Navy or a large Army. If we had had, when the war broke out in Europe, a large merchant marine, I do not believe that there would have been hardly any probability of this country becoming involved. The foreign countries did not believe that we could transport to European soil enough men and material to assist in winning

the Great War. Fortunately it was built up, but built up at an enormous expense to the taxpayers of this country. In a time of peace, when they can go into this matter and develop in a businesslike way a large merchant marine, I think it would be a good service to all our people.

Last year I called attention to the fact that the appropriation for the Veterans' Bureau would amount to more this year and continue to increase. No one can predict when the peak year will come, but certainly the appropriations will increase from year to year for some years to come.

Mr. BOYLAN. Mr. Chairman, will the gentleman yield?

Mr. SANDLIN. Yes.

Mr. BOYLAN. Has the committee given the Veterans' Bureau the total amount that it has requested?

Mr. SANDLIN. It has given the whole amount; yes, sir. The committee always does. I think every member of the committee and every Member of Congress recognizes the obligations this country owes to the ex-service men, and all of us try to be just in every particular to them, as we should be.

The Tariff Commission appropriation is \$22,500 less than last year. It might be interesting to note that under the flexible provision in the Fordney-McCumber tariff bill there have been some reports of investigations made to the President. I have a table here, and I shall put it into the Record, consisting of something like 12 or 13 cases, 9 or 10 of which have been acted upon by the President. I believe, with the exception of one item, the tariff has been raised in all of the matters submitted to the President. That exception is in respect to bobwhites. Of course, the Members of the House all know, especially those who come from the farm, and those from the cities who are interested in hunting, what bobwhites are. The tariff on them used to be 50 cents each, and I would say to the committee that now the tariff upon bobwhites coming into this country has been reduced and they may now come in with a payment of only 25 cents a head.

For the benefit of the gentleman from Alabama [Mr. McDuffie], who is interested in it, I shall return again to the Shipping Board and put some figures into the Record. I have here a table showing the percentage of commodities carried by American vessels between North Atlantic ports of the United States and the United Kingdom and continental Europe. In the year 1924 American vessels carried 20 per cent of the cotton to Europe. In 1925 they carried 12 per cent, a loss of 40 per cent. That is one evidence of the slipping of the merchant marine. They carried 7 per cent of the tobacco in 1924 and nothing in 1925. Of grain they carried in 1924, 28 per cent, and in 1925 the same amount. In 1924 they carried 24 per cent of the sugar, and in 1925 15 per cent of the sugar, a loss of 37½ per cent. There are a few articles on which they have gained, but the whole trend is toward reduction in the amount carried from year to year by the merchant-marine vessels over the years preceding.

Included in the appropriations for the Executive offices, there is an increase of \$2,500 in the pay of the President's secretary. I think there will be no dispute over the fact that that position, well filled, is worth \$10,000. In fact, the secretary to the President has always received the same amount as a Member of Congress has received.

Gentlemen will remember that when this question came up before the House in respect to the increase of the Members' salaries, it was unanimously agreed and thought at the time that the Secretary to the President should have a salary of \$10,000; but, because of the fact that at that time Mr. Sanders, then a Member of Congress, had not yet gone into that position, he asked the Congress not to include it. Whether we have a Republican or a Democratic President, I think one who fills that arduous position of secretary is entitled to \$10,000 salary.

I shall put into the Record at this point the exact amount being appropriated for the Veterans' Bureau. It is \$462,965,000 in this bill and \$105,000,000 in the deficiency appropriation bill, making a total of \$567,965,000.

Mr. CULLEN. Mr. Chairman, will the gentleman yield?

Mr. SANDLIN. Yes.

Mr. CULLEN. We provided for \$9,000,000 for hospitals.

Mr. SANDLIN. Yes.

Mr. CULLEN. Is that included in the total?

Mr. SANDLIN. Yes. This bill carries \$4,000,000, and the deficiency appropriation bill carried \$5,000,000 for that purpose.

Mr. CULLEN. I wanted to get into the Record the fact that the construction of hospitals amounted to \$9,000,000.

Mr. SANDLIN. Yes. It might be well at this time to call the attention of the committee to the appropriation for the Railroad Labor Board. That is \$11,000 less than it was last

year. I think it generally understood that the duties of the Railroad Labor Board as at present constituted will come to an end at the end of this fiscal year or perhaps before that time through the passage of legislation which will create another board, though I imagine that that other board will be just as expensive as this one. I hope it will have more power than the present labor board, and that it will bring about the condition that most of the railroad operators and employees hope it will, and that is the prevention of strikes in the future.

Mr. Chairman, I thank the committee for the attention that they have given me. I feel sure that the chairman of the subcommittee will go into the details and make explanation of the items more fully than I have. I ask unanimous consent to revise and extend my remarks in the Record. [Applause.]

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SANDLIN. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. BOYLAN].

Mr. BOYLAN. Mr. Chairman and gentlemen of the House, within the past week the press reports have carried stories of the expulsion from Mexico of American citizens who are there engaged in religious work. Ministers and priests of American citizenship who are officiating as clergymen in Mexico have been expelled and driven out of their churches and compelled to leave the country. Yesterday I introduced a resolution, a copy of which I shall read:

*Resolved, That the Secretary of State is hereby authorized and directed, if not incompatible with the public interest, to furnish to the House of Representatives at the earliest possible date such data and information as he may have in respect to the expulsion from Mexico of citizens of the United States on account of their religious beliefs.*

I ask the House to give this matter a little consideration during the next week, because the expulsion of these religious workers violates the deepest sentiments of humanity. Every one of us knows that every country, even the most uncivilized, permits holy men to come among its people to preach the word of God. Yet Mexico, with whom we have no quota agreement in respect to immigration, so that its people can come and go as freely as they desire, with no restriction of any kind against any class of citizens on account of their religious belief, expels American citizens who are preaching the gospel. She has driven them out of their churches and expelled them from the country, their only offense being that they were American citizens.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. BOYLAN. I do.

Mr. LaGUARDIA. The gentleman is very painstaking in his work. Has the gentleman any information of concrete cases of American citizens having been expelled from France lately on account of their religious belief?

Mr. BOYLAN. The gentleman has not.

Mr. LaGUARDIA. Of course, the gentleman knows there are certain people who have been trying for years to get us involved in a conflict with the Republic of Mexico. Does not the gentleman believe we ought to scrutinize very carefully the reports or inspired newspaper articles tending to create friction between the two countries?

Mr. BOYLAN. Absolutely. And in the statement I made I said that we would not proceed hastily; but it is time for the United States to investigate and act promptly, if it should find the facts to justify it taking action, because even if they have inspired propaganda, what does that figure as against the rights of American citizenship? Here we are, one of the greatest countries in the world, and if we do not make foreign countries respect the rights of our citizens, what chance have we to get the respect of the world for using our common right to protect our citizens, no matter where they are?

Mr. LaGUARDIA. Of course, the gentleman knows that the United States has established the doctrine that it is the sole judge of what aliens shall reside within her own territory?

Mr. BOYLAN. That is very true, but the United States has no restriction against Mexicans. There is no restriction as to their quota, and I might say to the gentleman that even in our immigration law it specifically exempts as nonquota immigrant ministers of the gospel from any country.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BOYLAN. A couple of minutes more.

Mr. CULLEN. I yield the gentleman three additional minutes.

Mr. BOYLAN. We put up no bars of any kind against preachers. Here are citizens—merely because they are American citizens, mark you, who are not precluded from exercising their ministerial functions on account of the particular religion



they espouse or teach, but simply because they are American citizens.

Mr. LAGUARDIA. That is assuming that is taking place.

Mr. BOYLAN. It is taking place.

Mr. LAGUARDIA. I asked the gentleman if he had any information on that subject, and I understood the gentleman to say he had not.

Mr. BOYLAN. The gentleman referred to a particular country—France.

Mr. LAGUARDIA. No; I meant Mexico.

Mr. BOYLAN. The gentleman did not say Mexico; he said France. I will answer the gentleman if he changes the question to read Mexico. I understand there are many specific cases now before the State Department. Now I ask you to give this matter a little consideration during the next few days in order that when the Committee on Foreign Affairs reports this resolution we may be able to vote for it and that it may pass this House, and that the Secretary of State be requested to furnish us with whatever information he has in his hands; and after he does, then it is up to us to protect the alienable rights of our citizens no matter where they may be, under what clime they may be, as long as they are peaceful and law-abiding, and that the mere fact of being American citizens should not prejudice them in the eyes of the laws of any nation.

Mr. HUDSPETH. Will the gentleman yield?

Mr. BOYLAN. I will.

Mr. HUDSPETH. As I recall under that remarkable document, the constitution of 1817, it also provides they may confiscate property of the Catholic Church in Mexico.

Mr. BOYLAN. I understand it does, but that I think we can enter into after my resolution is reported by the committee; then we can go into this matter fully and see that exact justice is given to our citizens no matter where they may be. I yield back the remainder of my time. [Applause.]

The CHAIRMAN. The gentleman has used all of his time.

Mr. WASON. Mr. Chairman, I yield 15 minutes to the gentleman from New York [Mr. LAGUARDIA].

Mr. LAGUARDIA. Mr. Chairman, I want to call attention of the committee to the items contained on pages 34, 35, 36, and 37 down to the end of the bill appropriating for the United States Veterans' Bureau. I did not know that my distinguished colleague from New York would raise an international question this morning, or I might have come prepared to call his attention to conditions existing in the Republic of Mexico and the efforts that are being made by certain interests in this country to dictate on entirely domestic matters to that Republic. I simply want to call the attention of my colleague to the fact that the Republic of Mexico has the same right to govern its property and its minerals and its oils as any other sovereign government in the world. We should not interfere, and surely we have no right to interfere, in purely internal matters of a foreign and friendly government.

While I agree fully with the scope of the gentleman's resolution, let us be very careful that we do not create friction between the Republic of Mexico and the United States, and by so doing serve the purposes of certain selfish interests that are now seeking to bring about a break between the two countries.

Mr. BOYLAN. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. BOYLAN. Does not the gentleman think it is the duty of our Government to protect our citizens, no matter where they may be?

Mr. LAGUARDIA. Absolutely, and that is one question; but I say the Republic of Mexico has the same right to pass laws governing the control and protection of its minerals and oils as the United States or any other country.

Mr. BOYLAN. Absolutely it has; but I ask the gentleman if it has the right to discriminate against American citizens merely on account of their citizenship?

Mr. LAGUARDIA. Absolutely not; and I hope the gentleman will investigate, in the usual and thorough manner with which he does his work in the House, to see what is back of all this agitation which has suddenly grown up, and that certain news items are not inspired for the sole purpose of creating trouble.

Gentlemen, I want to call the attention of the House to the appropriations for the Veterans' Bureau, which amount to several hundred million dollars. We start off with an appropriation of \$44,000,000 for the administration of the World War veterans' act of 1924. We find that \$140,800,000 is appropriated for the payment of military and naval compensation accruing during the fiscal year. In addition to that, we have \$35,000,000 for hospitals and several other small appropriations, besides the appropriation for adjusted compensation.

We are maintaining the Pension Bureau at this time in addition to the Veterans' Bureau, and the cost of the administration of that bureau is also very large. It seems to me that sooner or later, as the work of the Pension Bureau decreases, the activities of the two bureaus should be concentrated in one bureau. It also strikes me that \$44,000,000 is a pretty large amount of money to spend to administer the payment of \$140,800,000. Then we come to the \$35,000,000 for the maintenance of the hospitals.

Mr. MORTON D. HULL. Is that a fair comparison—the \$44,000,000 with the \$140,000,000? Does not that administrative expense apply to the entire \$400,000,000 shown in the addition of the totals?

Mr. LAGUARDIA. No; and I will tell the gentleman why, because I take it that the \$35,000,000 will pay for the maintenance and upkeep of the hospitals. So you can eliminate the hospitals from that. Then, of course, you have the administration of the payment of the compensation act, and surely there can not be any great expense now in the administration of that fund. The bulk of the work is over; the large percentage of the certificates have been issued and the work connected with the administration of the compensation act is now limited to the payment of death benefits.

Mr. MORTON D. HULL. But there are other items; military and naval expenses, and so on. All of those are probably included in that administrative expense.

Mr. LAGUARDIA. I confined the \$44,000,000 to the \$140,000,000 because that represents the bulk of the work. The hospitals are separate.

Mr. MORTON D. HULL. But, eliminating the hospitals, there are other large items.

Mr. LAGUARDIA. Yes; there is the payment of adjusted compensation.

Mr. MORTON D. HULL. And it probably takes a large force to do that work.

Mr. LAGUARDIA. Well, that must end some time; it can not continue forever.

Mr. CULLEN. Will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. CULLEN. I direct the gentleman's attention to a paragraph in the bill in order that the House may be intelligently informed, and I do not think my colleague has overlooked it.

*Provided*, That this appropriation shall be available for the purchase of subsistence supplies for sale to employees, the appropriation being reimbursed by the proceeds of such sales.

Mr. LAGUARDIA. Where is that?

Mr. CULLEN. That is on page 37 of the bill.

Mr. LAGUARDIA. But that does not amount to anything.

Mr. CULLEN. It amounts to this, that of the \$35,000,000 which is appropriated for the upkeep and maintenance of the hospitals a certain amount comes back to the Government as the result of sales.

Mr. LAGUARDIA. Sales to the employees, but that is chicken feed; it would not be over a couple of hundred thousand dollars. We had the same system in the Army. When the commissary or the quartermaster's department sell groceries, of course, they are reimbursed for that amount.

Mr. CULLEN. Will the gentleman yield further?

Mr. LAGUARDIA. I yield.

Mr. CULLEN. I am very much interested in the veterans, as I was on the Veterans' Committee. I do not want to use up the time of the gentleman in making a speech, but I want to say I am also very much interested in the hospitals for our veterans. We very carefully went into the appropriations for the hospitals, and we came to the conclusion that was as low an estimate as we could possibly make.

Mr. LAGUARDIA. My criticism is not of the amount appropriated. My criticism is to the system. I want less administration and more benefit to the veterans.

Mr. CULLEN. That was as low an appropriation as we could possibly make and at the same time do justice to the veterans.

Mr. LAGUARDIA. I know we want to do justice to the veterans, but let me say to the gentleman that we are not doing justice to the veterans when we are spending millions of dollars on buildings one year and abandoning them the next year; when we are spending millions of dollars for jobs—offices, bureaus, and administration—we are not doing justice to the veterans, and we are not meeting the situation. I have heard that plea made on the floor of the House time and time again, and the time has come to stop that plea and stop hiding behind the veterans. I want to help the veterans and give them more and less for overhead. Now, that brings me to my point. I say that if we would exercise a little economy in

the clerical forces, if we would exercise a little economy in the administrative forces, if we would exercise a little judgment and foresight in the real-estate department, of buying sites and then selling them at a loss, we could do more for the veterans. I want to point out the fact that we have now arrived at the time when we have tabulated pretty well the complete number of disabled veterans. I am not in accord with the system that is now followed in the rating of veterans' disabilities. It seems to me that a veteran who is partially disabled ought to be rated on his individual disability and on the merits of his individual case. You can not make a formula and apply it to hundreds of thousands of disabled men. A professional man who lost two fingers may not be impaired in his ability to follow his profession, yet a mechanic or a laborer may be totally disabled thereby and require a larger amount of compensation and a higher rating.

I have referred many times to the case of a youngster whose face was entirely disfigured by a high explosive. He had no organic disturbance; he had all of his limbs, and they allowed that boy \$12 a month. He was illiterate; he was a laborer before the war, and he could not find employment on account of the condition of his face. He simply could not find employment. There was a case of total disability if there ever was one.

The formula applied to that case was not just to the veteran. I have cases coming before me constantly, and I am sure every Member of the House must have such cases, where, if you take the formula and apply it to the rating allowed, you can not complain. It is a fair application of their system, but applied to the individual case and to the trade or vocation of the veteran it is unjust, it is unfair, and the allowance is inadequate.

I am not criticizing the appropriation; I am criticizing the system. I still believe we ought to close about one-half of these veterans' hospitals. I still believe we ought to close all of the tuberculosis hospitals. You can not keep tubercular patients confined in a hospital. He becomes dissatisfied the moment you send him there; and being unhappy, his recovery becomes doubtful.

Mr. BLANTON. Will the gentleman yield there?

Mr. LaGUARDIA. I yield to my colleague.

Mr. BLANTON. What about considering the climate and climatic conditions?

Mr. LaGUARDIA. Exactly.

Mr. BLANTON. For instance, we have hospitals at Prescott, in Arizona, and at Fort Bayard, in New Mexico, the finest in the world for the treatment of tuberculosis.

Mr. LaGUARDIA. Exactly.

Mr. BLANTON. And if I had a boy suffering to-day with tuberculosis, that would be the first place I would want to send him, either to Arizona or New Mexico.

Mr. LaGUARDIA. I agree with the gentleman.

Mr. BLANTON. Then why should we not keep up these tuberculosis hospitals there?

Mr. LaGUARDIA. I will tell the gentleman why. I know the climate of Prescott. I was raised there. I spent all my boyhood in Prescott, except the time we were down at Fort Huachuca. There is not a better place anywhere. Fort Bayard is also an excellent place; but if you take a T. B. patient and order him there and keep him there against his will, you do him no good. If we would take what it costs us in overhead for each one of these patients, and instead of sending the patient to a Government hospital we would give him a fair and generous allowance, more than he is getting now, part of the cost we are spending for hospitals, and let him go to the places of his own choosing or private sanatoriums, we would be doing more for the veteran and waste less money, and the patient would be happier and would get along better.

Mr. BLANTON. Will the gentleman yield further?

Mr. LaGUARDIA. I yield.

Mr. BLANTON. There is a splendid young man in my home city of Abilene who at one time was declared to be a permanent total with tuberculosis, and at his own instance the Government sent him to Fort Bayard, N. Mex., and he has been cured. He is now back home. He stayed there until he was cured.

Mr. LaGUARDIA. That was a fortunate case. He went there as an incipient case. He was undoubtedly happy. He had the will power to remain there, and in that one instance, of course, it did him good, but I maintain we could do more for the veterans by abolishing a great many of the hospitals we are now maintaining.

Mr. COLTON. Will the gentleman yield?

Mr. LaGUARDIA. I yield to the gentleman.

Mr. COLTON. Followed to its logical conclusion, the gentleman's argument would leave to the patient the treatment of the disease?

Mr. LaGUARDIA. In tuberculosis?

Mr. COLTON. Yes.

Mr. LaGUARDIA. Absolutely.

Mr. COLTON. Then the gentleman would disregard all the scientific discoveries that have been made in the treatment of tuberculosis?

Mr. LaGUARDIA. What scientific discovery has been made in the treatment of tuberculosis?

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. WASON. Mr. Chairman, I yield the gentleman five minutes more.

Mr. COLTON. Rest and proper food, quiet, and things of that sort that the average patient will not follow unless he is supervised.

Mr. LaGUARDIA. I wish there were a cure for tuberculosis. I lost the dearest one in the world to me through that disease. I have been through it all. I know something about it. I know that quiet, proper food, and rest constitute the proper treatment for tuberculosis, but, above all things, contentment; but if you take a boy and put him in a veterans' hospital, if he is dissatisfied, he is unhappy, and the climate and the treatment will do him no good. You can not get away from that.

Mr. LINTHICUM. Will the gentleman yield?

Mr. LaGUARDIA. Yes.

Mr. LINTHICUM. Has not the idea that you must go to high altitudes, and so on, to cure tuberculosis been largely exploded?

Mr. LaGUARDIA. Oh, yes; we have them treated at the seashore now. It is an individual matter. Each case depends on the attitude, temperament, and degree of advancement of the disease.

Mr. LINTHICUM. As the gentleman has just said, is it not more a matter of placing them near home, where the home folks can see them and where they can get some attention from their friends by way of visits, and so on, and in this way do they not recuperate and improve faster?

Mr. LaGUARDIA. There is nothing more important than peace of mind, contentment, nourishment, and rest. The boys should not be sent to distant hospitals unless they particularly desire to go there.

Mr. LINTHICUM. That is what I find in our State. The tendency now is to send them to some place where their friends and relatives can visit them and where they can have some little home life, and yet receive the proper attention.

Mr. LaGUARDIA. Yes.

Mr. BLANTON. Will the gentleman yield?

Mr. LaGUARDIA. Yes.

Mr. BLANTON. There must be some segregation, though. Does not the gentleman know that in our Postal Service to-day, if an employee in the main post office is declared to have tuberculosis, they remove him from that service.

Mr. LaGUARDIA. Immediately.

Mr. BLANTON. They will not let him stay there, because others might contract it from him.

Mr. LaGUARDIA. Of course. That is why I say to the gentleman that I would give these veterans sufficient money so they would not have to work and so they could take care of themselves and be close to their families.

Mr. BLANTON. Would the gentleman let them live in hotels and in homes of private families?

Mr. LaGUARDIA. I would treat them the same as civilian cases.

Mr. BLANTON. I am with the gentleman in believing we should give them an allowance for home treatment where they can get proper home treatment, but we should not do away with the hospitals.

Mr. LaGUARDIA. This is my idea. The same is true of the surgical and medical cases we now send to the veterans' hospitals. The cost of maintenance and of overhead of a hospital is very great. We have wonderful hospitals throughout the country—Johns Hopkins in the gentleman's State, and several in my city, and others all over the country. We can send these boys to these hospitals, give them better treatment, because these large city hospitals have specialists in every line, and you could not expect the good doctors of the Veterans' Bureau to be great specialists. The salary is not conducive to retaining men of great ability. They are doing the best they can.

Mr. BLANTON. Will the gentleman yield?

Mr. LaGUARDIA. In just a moment. And I believe, if we would abolish a great many of these hospitals, we would save money and do more for the boys. We could send the medical and surgical cases to one of the first-class hospitals throughout the country, near the boy's home, and in that way give the veteran more generous treatment than we are doing now.



Mr. BLANTON. It may be that it will save money, but I am more concerned about saving the tubercular boys. Suppose the gentleman from New York had tuberculosis; would he rather go to Johns Hopkins or to Prescott, Ariz.? I myself would take Prescott.

Mr. LAGUARDIA. I would take Prescott, but some might not like to go there. If I had a boy and he had tuberculosis, or if I had tuberculosis myself, I would never want to go where I could see a uniform. I would not want to go where there was military discipline. I would not want a bugle to get me out of bed in the morning and put me to bed at night. I would not want the sergeant to put out the lights at tattoo. I insist the boys deserve better treatment. We all want to give them generous treatment, but you are not giving them generous treatment when you spend millions of dollars for maintaining unnecessary hospitals and when we spend millions in administrating administrations.

Mr. BLANTON. I agree with the gentleman on that, but the hospital at Prescott is not a military hospital. You have no bugle calls, no sergeants to put you to bed; it is a veterans' hospital.

Mr. LAGUARDIA. Yes; it is a veterans' hospital and too much military discipline.

Mr. CULLEN. Mr. Chairman, I yield 30 minutes to the gentleman from Virginia [Mr. DEAL].

Mr. DEAL. Mr. Chairman, it seems at times that some Members of the House who are almost always kind, courteous, considerate, and tolerant of the views of others, lose their poise and balance when the question of prohibition is under discussion. Only a few days since we had upon this floor an exhibition of intemperance in debate which compromised the dignity and orderly procedure of this body, in which it seemed to some of us that an effort was made to stampede and intimidate a speaker who dared to express his views against prohibition. Having this in mind, I shall not feel disposed to yield my time for questions. It is my desire to present my views in a temperate and orderly manner and I trust that my colleagues will accord to me the deference which I have never failed to accord to them, whatever may be their views.

It has been contended that prohibition of the use of alcohol for beverage purposes, as a policy, has been settled finally and definitely by the ratification of the eighteenth amendment and is therefore not a political issue.

Were we calmly to survey the field, we should find that prohibition is quite the liveliest political issue in America to-day. Relatively, our entire population is perturbed, dissatisfied, and divided over the situation. It is the topic of continuous debate in the drawing-room, hotel lobby, Pullman car, and on the street corner.

There is one school of thought that insists our laws can be and must be enforced, meaning, of course, the prohibition laws; another contending that these laws can not be enforced except at a prohibitive cost in money, violence to the safeguards of society and many of the reserved constitutional rights of the individual, all agreeing, or seemingly agreeing, that they are not enforced. So long as this condition obtains we have a very live issue, and the question arises—

#### DO WE COMPROMISE WITH LAWLESSNESS?

Our Constitution has been derided, scorned, and so frequently observed in its breach by Congress and the executive branch of our Government, as well as the public, that I sometimes think—perhaps a delusion—it requires more than the average of normal courage to invoke its limitations in debate.

The gentleman from the seventh district of Michigan, for whose ability I have a high regard, speaking to the House on February 2, 1924, said:

Whatever Americanism is, it is not defiance of law. The creed of Americanism must have as its fundamental principle—this being a democracy—the doctrine that there can be no compromise with lawlessness. I have been interested in the past two days in the addresses of gentlemen who are leaders in the movement for compromise with lawlessness, gentlemen who say that a part of the Constitution of the United States can not be enforced, who hail with delight any failure of its enforcement, who seek repeal of all Federal law for its enforcement, who oppose the enactment of State laws for its enforcement, and who propose a compromise with lawlessness by the return of beer and wine.

Again, on page 1922 of the RECORD, in answer to a question by the gentleman from Texas [Mr. BLANTON], he said:

There is no doubt but what every speech that is made in which it is stated that the law can not be enforced is an encouragement to violate it. It is an encouragement, and the higher the standing of

the official, the higher the social, financial, and industrial standing of the citizen who preaches that, the more dangerous it is to the welfare of the country.

On May 12, 1924, the Washington Post quoted Mr. L. J. Taber, master of National Grange, as declaring that Dr. Nicholas M. Butler, president of Columbia University, was a traitor to his party and the best interest of his party because he advocated a wet plank in the Republican national platform.

The Washington Post, on June 4, 1924, quoted Mr. Fred B. Smith, chairman of the committee of one thousand for law enforcement, of the Northern Baptist Convention, as declaring that—

whoever utters the statement that the eighteenth amendment can not be enforced utters treason. A large proportion of the people refuse to obey it, and some absolutely say so. If they get away with it, it will mean the beginning of the doing away with constitutional government.

I might quote many similar expressions from leaders of this school of thought, but these are sufficient to emphasize their uncompromising and intolerant attitude of those who honestly entertain different views as to prohibition and dare to express them publicly.

#### WHAT OTHERS THINK AND SAY

[Quoting from Washington Post of June 27, 1923]

Mr. Chief Justice Taft, at a Yale Alumni dinner, made four charges against present prohibition legislation: "First, that it is keenly sumptuary; second, that it is hard to enforce; third, that it takes no regard of international considerations; fourth, that it puts in jeopardy all national, State, and local issues, because it has created a party strong enough to wreck any legislation it opposes, whether it be in the prohibition field or outside." He might have added with propriety a fifth reason, namely, that it provides for the confiscation of property rights guaranteed by the Constitution. "It is generally admitted," said Mr. Taft, "that legislation of a sumptuary character, or, in other words, involving the personal appetite and taste, is commonly resented and always difficult to enforce. People will not tolerate public control of what they shall eat, how they shall dress, what amusements they shall enjoy, or what kind of house they may live in. These are considered questions of personal taste over which the State has no legitimate control." Mr. Taft did not include "or what they shall drink," but characterized the Volstead law as "keenly sumptuary." Was the Chief Justice of the United States Supreme Court compromising with the law?

Quoting from the Virginian-Pilot, June 27, 1924:

The executive council of the American Federation of Labor denounced the Volstead Prohibition Enforcement Act as a moral failure and a dangerous breeder of discontent and contempt of law, and demanded its amendment to the extent of restoring light wines and beer.

Are the leaders of the American Federation of Labor traitors to their country?

In December, 1922, referring to prohibition, President Harding said to Congress:

Plainly speaking, there are conditions relating to its enforcement which savor of Union-wide scandal. It is the most demoralizing factor in our public life.

Was President Harding compromising with the law?

In October, 1923, Adolphus Busch, in a letter to the President of the United States, said:

Forty-four per cent of the 33,000,000 population who had representation at the polls on State prohibition expressed themselves as opposed to it.

Are these 14,500,000 citizens who voted against prohibition traitors to their country?

President Lincoln said:

Prohibition laws strike a blow at the very principles on which our Government was founded.

Was President Lincoln compromising with lawlessness?

President Coolidge, in an address to the American Bar Association, August, 1922, said:

In a republic the law reflects, rather than makes, the standard of conduct. The attempt to dragoon the body when the need is to convince the soul will end in revolt.

Was President Coolidge compromising with lawlessness?

At the thirtieth year jubilee convention held in Washington in January, 1924, a reporter quotes Mr. Fred B. Smith, of the Commission of Council of Churches, to wit:

Enforcement is confronted by two serious obstacles: First, the laxity or indifference on the part of many people; secondly, a growing sentiment throughout the country for a modification of the Volstead

Act. These conclusions, said he, are the result of personal observation as well as the reports of special observations of investigators sent to all parts of the country to ascertain the facts. You must arouse public sentiment on the matter or you may as well give up hope of ever enforcing effectively the eighteenth amendment. The spread of lawlessness as a result of the reaction against prohibition is becoming a menace. It is a terrible thing when a law becomes an object of Pullman car, hotel, and around-town jest. This the Volstead Act is, as I have personally observed. It is hard to secure respect for a law which is the object of derision. The result is that all law is flouted, and we have a condition of lawbreaking that threatens the perpetuity of the Republic.

Was Mr. Smith compromising with lawlessness? Rev. Sam Small said:

You can win by using the force of the United States Army and Navy—

Which the convention indorsed with applause. Was this compromising with lawlessness?

It seems—

Said the reporter—

that war is on its program for the nullification of the constitutional Bill of Rights of the American people.

Hon. Mabel Willebrandt is quoted as having said:

I receive anonymous letters, but only a fraction as many as Commissioner Haynes, telling of violence, but using the writers' names must be kept out of it. Federal officers are helpless. Unless people are willing to become witnesses, such complaints are worthless. The courts can not convict without testimony. It becomes a question as to whether the people will have the courage, whatever their standing, to appear as witnesses. Will they testify against their bankers or prominent people of their community? Until enforcement gets hold of the big ones high up, it seems folly to prosecute the little fellows. It is all wrong to use so much energy and money on the type of seizing and raiding methods of enforcement.

Was Hon. Mabel Willebrandt compromising with lawlessness? Continuing, she said:

There is only one sword that will stand untarnished by the blood that has got to be drawn in this fight—the sword that is defiant of political expediency.

The reporter said this statement got wild applause. It mentioned blood, and this convention was a bloodthirsty convention. Was it compromising with lawlessness? Governor Pinchot, speaking at the jubilee convention, said:

Two years ago when the league met arrests for drunkenness had been declining. Fewer people were in jail. Withdrawals of whisky had been steadily decreasing, and the production of alcohol and withdrawals for denaturing were rapidly falling. To-day the situation is reversed. Arrests for drunkenness have enormously increased. The population of jails and institutions is rising, illegal withdrawals of whisky continue to increase, and, most significant of all, the withdrawals of alcohol to be denatured have nearly trebled in two years. They jumped from 38,000,000 proof gallons to over 105,000,000, or an increase of 67,000,000 proof gallons in 24 months.

A part of what this increase means appears when we recall that in the same time deaths from drinking poisonous liquor have multiplied beyond all previous experience. In the face of such figures as this the relative insignificance of smuggling is perfectly evident. The greatest breeder of crimes and criminals in America is the failure to enforce the eighteenth amendment. Out of the knowledge of criminals that the bars are down grow murder, brigandage, piracy, poisoning, and a multitude of other crimes of violence and cunning, in addition to the violation of the amendment itself.

Was Governor Pinchot a traitor to his country?

Does the Federal Council of Churches, in its recent report on the subject of prohibition, compromise with lawlessness?

Rev. James Empringham, national secretary of the Episcopal Temperance Society, an organization of clergymen and laymen of the Protestant Episcopal Church, announced that the society would work for a modification of the Volstead Act. Reverend Empringham was formerly superintendent of the Anti-Saloon League of New York. He said that he had started out a year ago to gather material for a pamphlet showing that prohibition was a success. He has not finished the pamphlet because his investigation showed that he was wrong.

We thought a law would be better than education to stop drinking; we made a mistake—

He said.

Was the Reverend Empringham compromising with lawlessness?

Quoting from the Virginian-Pilot, October 24, 1924. Bishop Candler, of the Methodist Episcopal Conference, emphasized

"the need of personal evangelism rather than mob salvation," and urged that forced belief is without value. Was he compromising with law?

And now Cardinal O'Connell, senior Catholic prelate in America, is opposed to compulsory prohibition.

Mr. BLANTON. Will the gentleman yield?

Mr. DEAL. I yield.

Mr. BLANTON. The distinguished gentleman from Virginia is fundamentally opposed to national prohibition, is he not?

Mr. DEAL. I am.

Mr. BLANTON. If he had been here when the eighteenth amendment was voted on, he would have voted against it.

Mr. DEAL. I did not yield to the gentleman to ask irrelevant questions. That was a number of years ago, and I am not certain whether I would have voted against it or not. Probably I would.

Mr. BLANTON. If he is fundamentally opposed to the passage of such a law as that, of course the gentleman is for modification.

Mr. DEAL. I decline to yield further. I want to say in response to the gentleman that I claim the right, with all other gentlemen on the floor, to express my views, and that is what I am doing at the present moment. I do not propose to be stampeded and prevented from expressing my views on this or any other subject.

Mr. Chairman, I do not find in the speeches made by Members of this House who are opposed to sumptuary laws any stronger indictment of the failure of prohibition than that of the distinguished leaders of the prohibition movement just quoted, to say nothing of the expressed views of Presidents, judges, legislators and a large percentage of the press of our country. And yet, when those who advocate, not violation but change of the law, dare to express similar views they are charged with "compromising with lawlessness" and with being "traitors to our country."

There can be no doubt in the minds of those not limited to the one idea on which side of the ledger red ink will record the failure realized from this momentous effort to legislate morals into human beings. I claim an equal right with others to discuss this subject and in my humble way point out some of the evils and obstacles to be surmounted.

#### THE GOVERNMENT MUST RESPECT THE LAW

First of all, let me suggest that if we are to expect the average citizen to respect our laws, the Government should at least set an example. We are told that he who violates the eighteenth amendment is a traitor to his country, and yet there are those of this school of thought who seem to have advocated the violation by the Government of several of the amendments to our Constitution, and the question arises—

#### IS OUR GOVERNMENT A BOOTLEGGER OF THE LAW?

(1) Article IV of amendments to the Constitution provides that the right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures shall not be violated, and no warrant shall issue except upon probable cause, and so forth.

This amendment to our Constitution, symbolized by the sufferings, blood, and death of our Revolutionary ancestors, just as sacred, just as binding, just as much a part of the Constitution as the eighteenth amendment, but far more important as a safeguard for the protection of the peace and happiness of our citizens, has been persistently violated both by the State and national enforcement officers, and even the Supreme Court has undertaken, in a measure, to modify this provision of the Constitution by deciding that vehicles may be searched and seized without warrants. The fourth amendment, it will be observed, makes no exceptions in this particular. It is true that motor cars and motor boats were not known when this amendment was written, but horse-drawn vehicles and sailing vessels were in common use, and no exception was made as to them. The Supreme Court has no delegated power to change any word or the meaning of any word in the Constitution.

In order, therefore, to carry into effect the extreme interpretations of the Volstead Act by extreme partisans of the measure, the fourth amendment to the Constitution has been to a large extent and in some instances entirely nullified and voided. Is not this compromising with the law? Why obey the eighteenth amendment and violate the fourth amendment?

(2) Article V of the amendments to the Constitution provides that "no person shall be subject for the same offense to be twice put in jeopardy of life or limb," and yet we find it a common practice to arrest and try persons twice for the same offense, once by the State and then by the Federal courts, or vice versa. And so this provision of the Constitution, just as sacred, has been voided and nullified in order to enforce the eighteenth amendment.



(3) The same article provides that no person shall be deprived of life, liberty, or property without due process of law, nor shall private property be taken for public use without just compensation. There are to-day, according to the report of General Andrews, 81 automobiles taken from private persons and applied to public use without any compensation whatsoever or even the formality of a sale. A third provision of the Constitution nullified and voided in an effort to enforce the eighteenth amendment.

(4) Human beings have been shot without any other process of law than the suspicion of some enforcement officer. It appears that during the past year 24 persons were shot to death in this manner and not a single indictment or penalty imposed upon the officer. In the majority of those cases there was no testimony other than that of the officer, who claimed self-defense, a most natural result and consequence on the part of the officer. Even this does not cover the entire situation. Innocent citizens have been shot to death by enforcement officials without any excuse whatsoever save the suspicion that might rest in the mind of the officer.

A lady driving her own car after sundown was accosted on the highway near Danville, Va., by prohibition officers and ordered to stop. Not knowing that they were officers of the law, and no doubt fearing them to be robbers or rapists with malicious intent, she naturally observed the first law of nature and endeavored to preserve and protect herself by "stepping on the gas"; a thug officer pulled the trigger, with the result that the lady was shot dead at the wheel of her car. She had violated no law; there was no warrant for her apprehension; there was nothing to indicate that these were officers of the law; she had every reason to believe they were highwaymen, with whom the roads have been infested since the advent of the bootlegger under the sumptuary prohibition laws.

A young man returning from a visit to his sweetheart was accosted in a similar manner by persons whom he supposed to be highwaymen. He "stepped on the gas"; the officer pulled the trigger, with the result that the young man is to-day an invalid for life. He had violated no law; he was where he had a right to be, in his own car on a public highway in pursuance of an honorable purpose in life. A law-abiding citizen was shot to death in my city while driving through a public highway, in the presence of his brother, wife, and children, traveling at a speed which permitted the officer to step on the runningboard of the car and fire his gun—a cold-blooded murder, for which only a sentence of six months in prison was imposed, and this, at the instance of prohibitionists, was commuted to four months. Truly, no man or woman is safe from these vultures turned loose upon society in the vain and fruitless effort to force morals into human beings. And so a fourth provision of the Constitution for the safeguard of human rights and liberty is being nullified and voided in the enforcement of the Volstead law.

Mr. HERSEY. Will the gentleman yield?

Mr. DEAL. I yield to the gentleman from Maine.

Mr. HERSEY. Is the gentleman aware that there are over 2,000 officers who have been killed in the enforcement of this law?

Mr. DEAL. Not during the past year; but I would not be surprised; if true, it suggests that these laws should be modified.

Mr. LINTHICUM. Will the gentleman yield?

Mr. DEAL. Yes.

Mr. LINTHICUM. In my district they made a raid on a next-door neighbor, a handsome lady, and in the raid an officer shot her and put out one of her eyes, and her claim is now before Congress for compensation.

Mr. DEAL. I thank the gentleman for his addition to this saturnalia of crime.

(5) Article VI of the amendments to the Constitution provides that a person charged with crime shall enjoy the right to a speedy and public trial by an impartial jury of the State and district wherein the crime shall have been committed. Under the padlock system and the resort to injunction, jury trials have been denied to persons charged with crime. A fifth violation of the rights reserved under the Constitution.

(6) Persons have been taken from the district in which the crime was alleged to have been committed and carried to distant portions of the State for trial, likewise a violation of Article VI of the amendments to the Constitution, deemed necessary in the effort to enforce the Volstead law. A sixth violation of the Bill of Rights.

(7) Article VIII of the amendments to the Constitution provides that excessive bail shall not be required; excessive fines shall not be imposed; cruel and unusual punishment shall not be inflicted, all of which restrictions, in my opinion, have been stretched to the breaking point in an effort to enforce the

eighteenth amendment. I have known a man sentenced to six months at hard labor for having a small quantity of liquor on his person, undoubtedly a cruel and unusual punishment.

(8) The fourteenth amendment to the Constitution provides that no State shall make or enforce any law which shall abridge the privileges and immunities of citizens of the United States. And yet there are State laws which have unhesitatingly abridged the privileges and immunities guaranteed to the individual by the Constitution of the United States. And so we find an eighth provision of the Constitution nullified in the effort to enforce the Volstead law.

(9) This article likewise provides that no State shall deprive any person of life, liberty, or private property without due process of law; and yet property has been confiscated and life taken by State officials without due process of law, a ninth violation of the Bill of Rights.

(10) Even the sacred eighteenth amendment itself is being ignored, in that it has not denied the use of alcohol for medicinal purposes, and yet the Congress of the United States has enacted a law prohibiting the use of beer, under the direction of a physician, for medicinal purposes. A tenth violation of the basic law. By whom? The Government, of course. No other power could do these things.

It has been charged, and I believe not denied, that the enforcement department permits alcohol to contain poison, indeed requires that it shall be denatured, knowing that a large percentage of it will go into beverages for human consumption, and thus the Government becomes a party to the poisoning of human beings in its frantic effort to enforce a law that antagonizes the laws of nature and the most common decencies with respect to the preservation of life. And yet, with this astounding record of encroachments upon the reserved rights of the individual, those of us who dare to stand up and protest are characterized as compromising with lawlessness, as uttering treason, as enemies to society, as in league with the devil. Are we not warranted, therefore, in the thought that our Government itself has not only compromised with the law but is in itself the chief violator of the law?

In view of these facts, which can not within the bounds of reason be denied, are we not justified in the complaint that the eighteenth amendment and the Volstead law can not be enforced save and except in violence to nearly if not every one of the safeguards reserved to the individual in our Bill of Rights? Can we with truth and honesty be characterized as compromising with lawlessness and as traitors to our country because we protest these invasions upon our basic law? Are we entitled to be insulted with the charge that we are in league with bootleggers and the devil because we demand that the State and Nation shall obey our laws? Shall we heed the demand that we be silent while our enforcement officers by violence and bloodshed commit rape upon our most sacred rights? It is not my purpose to accuse the opposing school of thought with instigating or indorsing the gross violations of law to which I have referred, but I commend them to the serious consideration of those who charge us with compromising with lawlessness, with being traitors to our country, with being in league with bootleggers and the devil.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. DEAL. Yes.

Mr. LAGUARDIA. The gentleman never heard of a bootlegger in favor of modification, did he?

Mr. DEAL. I think so. I do not agree with gentlemen who say that bootleggers are opposed to modification. I think most of them hope some time to lead better lives and are looking to the time when they will make their pile and quit. [Laughter.]

Mr. LINTHICUM. Has the gentleman the figures on the amount of liquor that the Government has released each year?

Mr. DEAL. I have, and I will give it later.

It is claimed that the majority of the American people have voted for prohibition, and that it is the duty of the minority, however large, to submit to the will of a majority. Permit me to call the attention of my southern friends to the fact that, as a result of circumscribing the fifteenth amendment to the Federal Constitution, the Negro, representing perhaps 40 per cent of the population of the Southern States, was deprived of the franchise. Few will deny that, had they been privileged to exercise that right, prohibition would not have prevailed in the Southern States. And had it not prevailed, the eighteenth amendment would not have been written into our Constitution. Yet, it is upon this class of people, who could not exercise the right of franchise, upon whom the law must be enforced. Can we expect a majority of these citizens, and I say it unhesitatingly, to respect a law forced upon them, in which they had no part or opportunity for protest? The southern negro may not feel that he has been disgraced as a result



of a jail sentence, because he is not ostracized by his race. May not this same thought prevail in other classes of society as a result of an unpopular sumptuary law? When the unwritten law of social ostracism is repealed, how can we expect a statutory law to prevail? If the advocates of the Volstead Act are sincere in their demand for law enforcement, why not join me in the demand that the Government respect and obey the commands set forth in our Bill of Rights? What is sauce for the goose should be sauce for the gander.

#### THE LESSONS OF HISTORY

Perhaps it may not be amiss to recall certain events in history that seem to bear upon this subject. Adam Smith tells us that in the seventeenth century the English Parliament enacted a law prohibiting the importation of silks into England.

Yet—

Says Smith—

when the enforcement officers were supposed to be exercising the greatest vigilance in the enforcement of the law, French silks were exposed for sale in the House of Parliament.

Macaulay tells us that, owing to the great profit in smuggling, almost the whole population of southeast England was interested therein, notwithstanding the fact that the entire British fleet was constantly patrolling the channel, and it was commonly said that it would require a gibbet on each hundred yards of the coast to prevent smuggling. The importation of liquors and tobaccos was also embargoed or subject to abnormal duties. A correspondent in Kent County, writing for the *Gentlemen's Magazine*, published in London, said that the crops were rotting in the fields because labor found it more profitable to smuggle. I have read that an English law provided a death penalty for smuggling, that the police were empowered to hang upon a gibbet those apprehended, and their bodies left as food for vultures, as a warning to others against violations of the law. These gibbets may still be seen in the museum at London. Hume tells us, in speaking of the laws against conventicles—

experience probably had taught that laws overrigid and severe could not be executed, and that in event disputes should arise with regard to the interpretation of any part of this act judges should always explain the doubt in the sense least favorable to the conventicles, it being the intention of Parliament to entirely suppress them.

Such was the zeal of the commons that they violated the plainest and most established maxims of civil policy, which requires that in all criminal prosecutions favor should always be given to the prisoner. Adam Smith also tells us that France, at the same period, provided a death penalty for violation of her smuggling laws and that an army, called "Les Moltotiers," was authorized to inflict the penalty on the guillotine, but that enforcement failed, because officers of the law themselves became the smugglers. These sumptuary laws, both in England and France, were repealed or else ceased to be enforced. Are not these lessons of history worthy of our consideration? Do they not bear a striking similarity to conditions as they exist in America to-day, except as to the penalties? I have no personal knowledge that any of our enforcement officers have engaged in smuggling, but from many sources we hear that such is true.

It is needless to remind you that evidences of wholesale smuggling are apparently on the increase, that the prices of liquors have greatly decreased since 1920, and that the patrons of this illicit trade are not confined alone to "old soaks," but have extended in a larger and larger measure to our women and even to our boys and girls. We have not as yet enacted the death penalty for violation of our prohibition laws. One of our Senators only recently indicated, however, that under some circumstances he would favor a resort to this extreme. The effect of such a law I can not predict, but the lessons of history and a study of the psychology of human beings does not encourage the belief that it would succeed. Indeed, it is to be noted that as our laws have been made more severe, juries have been less inclined to convict. Men have not hesitated throughout all time to risk their lives for gold. When the gold fields of California and later those of the Yukon were revealed, hundreds and even thousands flocked hence, regardless of comfort, of health, or of death, seeking thereby to enrich themselves. Nor have the horrors of war, rape, or murder arrested an insatiate desire for gain. Have not most of the great wars in the past been inspired for gain? Then, on what hypothesis can we assume that fines or imprisonment will arrest that which death has not stayed?

#### THE FINANCIAL COST OF PROHIBITION

Prohibition we are told is a moral issue. Thus, prohibition laws have been enacted at the instance of the Anti-Saloon League. As its name indicates, the proclaimed purpose of the

organization, prior to the time when its power was sufficient to threaten the defeat of members of State legislatures and Congressmen, was to eliminate the saloon. The support given to this movement originally was based solely upon this theory and for this purpose. Reform movements are almost always led by extremist, radical temperaments. Such temperaments are not safe to intrust with power. History teaches as much. Drunk with the sudden possession of power, the platform of saloon elimination, upon which this movement was backed by the public, did not satisfy its leaders. The eighteenth amendment and the Volstead law followed. The leaders seemed to feel, and I have no doubt believed, that the use of alcoholic beverages is the base and major cause of all crime. Laws they seemed to think the panacea for evil. The psychology of human minds has been overlooked. Crime, they taught, would practically cease; the courts and jails would be relieved of congestion.

Two or three millions of dollars it was thought would be sufficient to enforce the laws. Experience presents another view. The following table, submitted by Mr. Jones, assistant to General Andrews, is enlightening:

	1920	1921	1922	1923	1924	1925
Criminal cases.....	7,291	20,114	34,984	49,021	43,431	51,688
Convictions.....	4,315	17,962	22,749	34,067	37,181	39,072
Acquittals.....	125	765	1,195	1,770	1,764	1,838
Cases dropped.....	655	2,670	4,799	6,893	7,674	7,622

Mr. Jones testified that at the end of 1921 there were 10,365 untried cases; in 1922, 16,713; 1923, 23,052; at the close of 1924, 22,380 cases; and at the close of 1925 there were 25,334 cases pending trial.

Mr. VARE, of the committee, asked Mr. Jones if he had any record showing the number of cases tried by the State courts. I have not, said Mr. Jones. Mr. Britt, attorney for the department, testified that he could not get it without paying for it (p. 406, hearings, subcommittee):

Mr. VARE. I have in mind there are a greater number of these cases tried in the local courts than in the United States courts.

That is true—

Said Mr. Britt; so the above record is inaccurate, representing perhaps one-third of the cases tried. General Andrews is demanding more courts, so our jails have not been emptied nor have our courts been relieved. From a cost of \$3,000,000 we will appropriate for the year 1926 \$32,000,000 and for 1927 \$37,000,000. And the end is not yet. A Navy of 345 rum chasers are in use, and Admiral Billard is to have \$3,900,000 with which to build 35 more vessels. Three thousand two hundred and forty-one men are employed in the field service, or one effective field man to each 34,940 people. More than 8,000 persons are employed in the enforcement of prohibition by the Federal Government, to say nothing of the assistance from the customs and other departments of the Government. Adding to these the number and cost of the State officials, the number of those directly and indirectly employed may well reach 20,000, at a cost of perhaps \$80,000,000. Of course, any figures apart from those given by the enforcement officers of the Federal Government are estimates. Notwithstanding this enormous increase in expenditures during the past five years, the prosecutions have increased from 7,291 to 51,688 by the Federal Government alone, and the number of cases pending trial are 25,334. I submit these facts without comment; they speak for themselves. The department expects to have in the service of confiscated automobiles 375 within another year. Admiral Billard will have an additional 35 vessels, more men, more expense, more courts. How long must this go on before the American people revolt?

Does it lie within the mouth, therefore, of Mr. A to accuse Mr. B of being a traitor to his country, or of encouraging law violations, when he protests against laws that lead to such conditions? Does it lie within the mouth of Mr. A to claim that Mr. B should be silent, when our officers are violating the fundamental laws of our country? Is Mr. B an undesirable citizen because he publicly proclaims that his Government shall set an example to its citizens of respect for the law? Does Mr. B shock the sensibilities of Mr. A, who has advocated and countenanced the violation of our Constitution in many ways, by proclaiming that the Government is one of, if not the biggest, bootleggers of the law that we have?

Shall Mr. B keep silent when men and women may be, and have been, apprehended, fired upon, and killed by Government officials when in a frenzy at failure to enforce laws which so many of our population do not respect? When "snappy gun work" by prohibition officers, according to the *Washington Post*, "is desired by church heads"; when it is proposed that



our Army and Navy shall be used for police enforcement in violation of the mandate of the Constitution; when the word "blood," in connection with enforcement, is vociferously cheered by an Anti-Saloon League convention; when our Government deliberately places poison in alcohol, knowing that a large percentage will go into beverages, thus seeking to enforce the law by poisoning human beings; when innocent men and women, not once but frequently, have been shot to death by criminals employed for prohibition enforcement and encouraged by certain Anti-Saloon League elements to use the gun; does it lie within the mouth of this element to charge that any person compromises with lawlessness because he protests that these criminals have not been punished? Reference to the speeches of those whom the gentleman from Michigan was pleased to designate as leaders in the movement for compromise with lawlessness does not reveal a proposal to compromise, but rather to change laws in an orderly and reasonable manner. We have not advocated a reopening of the saloon. We have not advocated the promiscuous sale of alcoholic beverages. But we do demand that the law shall apply to suburban as well as urban peoples; that the Government itself shall respect the law, and that the law shall be enforced by reasonable methods within the limits of the law itself. The most potent allies of the Anti-Saloon League may be found in some of our churches, and it is from the pulpit that we find some of the most outspoken demands for extreme methods as affect our prohibition law, which, if persisted in, must breed not only contempt for law but revolution and bloodshed in untold proportions. I have before me a clipping from a newspaper, in which a minister is reputed to have called upon the Ku-Klux Klan to wipe out immorality in a certain city. He said:

I believe the law is ready and willing to do its part, but it is not able—

Citing many instances of crime unpunished.

The organization of which I have spoken, if properly utilized, can save the day where the preacher, the church, and law can not save it. The roads around here are no longer decent places for men to take their families to ride. I do call upon the Ku-Klux Klan—

Said the minister—

If they can help us, and I would not blame you if you should take a man out of an automobile and beat the hound out of him. The Klan can remedy this thing, and I call upon them to do it.

In a frenzy at the failure of a cherished ideal, there is an element of society demanding that this one law shall be enforced at the sacrifice of any other ideal, principle, or law that may chance to stand in its way. The Constitution, respecting human rights, must be brushed aside, human beings must be poisoned and shot down in cold blood on suspicion.

I quite agree with the gentleman from Michigan, in that our laws should be enforced and that it does not comport with the dignity and stability of a great and powerful nation such as ours to compromise with the law. I believe that all laws should be enforced alike, and reasonably; but I can not agree that any one law should be enforced at the expense of other laws enacted with equal solemnity, or in the enforcement of which violence is done to the rights and liberties of the citizen reserved in our Bill of Rights.

EVERY MAN THAT STRIVETH FOR THE MASTERY IS TEMPERATE IN ALL THINGS

This would apply to eating as well as to drinking; to action as well as to speech; to the laws of man as well as to the laws of God; and I commend this principle to those who ask if "any good thing can come out of Nazareth."

Let moderation be known unto all men. (Phil. 4:5.)

Christ did not seek by temporal law to carry His doctrine into the home; but by tolerance, love, and example He taught a faith that has commanded the respect of millions through nearly 2,000 years and has spread to the farthest ends of the earth. Neither cruelty, violence, or bloodshed have checked the spread of this faith. Neither the tyranny of Nero, the cruelty of "Bloody Mary," nor the Spanish Inquisition prevented the exercise of an inherent right by the individual to worship according to the dictates of his conscience. History is replete with illustrations wherein persecution has stimulated and encouraged opposition, even to the extent of revolution. There is unquestionably a duty on the part of the church to aid in this proposed reform, but in my humble opinion it should function along the lines laid down by the Lord Jesus Christ when He admonished His disciples "to preach the word." In my study of His life and His works I can find no single instance in which the Lord advocated force or physical punishment in this world for those who refused to believe. [Applause.]

Mr. WOOD. Mr. Chairman, I yield 40 minutes to the gentleman from Massachusetts [Mr. UNDERHILL].

Mr. UNDERHILL. Mr. Chairman, last summer I visited the Philippine Islands for the purpose of determining in my own mind from personal observation and inquiry the question of Philippine independence. I remained in the Philippines for about five weeks, during which time I devoted myself almost constantly to the study of this question. I found the people of all kinds and races friendly, courteous, and hospitable. As I wished to form my own opinions without prejudices or be influenced by friendships or obligations of any kind, I did not accept the numerous invitations for entertainment and other courtesies. In consequence, I am free to express my views without embarrassment. Whatever prejudices I had were in favor of independence, and I frankly acknowledge that I was influenced more by the belief that the Philippines were a liability rather than an asset to the United States and that it would be to our advantage to get rid of them in the easiest way possible. I had been brought to this conclusion partially by the large amount of literature I had read on one side of the subject only and partially because of my belief in "government by and with the consent of the governed." I was wrong in both respects. There are occasions where public interest is paramount to public opinion.

One does not have to be in the islands long or travel many miles from Manila before becoming convinced that there is more sophistry, demagoguery, and politics in the agitation for independence than real demand on the part of a majority of the people living in the Philippines. I do not deny that there are many efficient and honest men in the Philippines capable of handling great questions of government. However, they are not in the majority and are almost totally lacking in power. In addition to this, practically all of those whom I met of such a type were opposed to independence, but in a very few instances did they care to make their opposition known. There is a reason for this, and I quote from a newspaper dispatch from Manila on February 11:

Following weeks of reports of an impending Filipino attempt to boycott American and British firms actively fighting Philippine independence Manuel Roxas, speaker of the house of representatives, has come out flat-footedly for such action.

In a fiery oration before the students of St. Thomas University Roxas openly urged a move to force American capital in the Philippines to cease aiding the antinational aspirations of the Filipinos.

It is reported from a reliable source that Filipino leaders are planning to inaugurate the boycott on Washington's Birthday. Leaders of the movement are reported preparing to broadcast a list of firms considered unfair to independence.

This is really nothing new. Such activities have been carried on sub rosa for the past few years. In addition to the boycott, other methods of intimidation have been used which have established what might be called "jungle fear," not only in the native Filipino but also in the American. This is the first instance which has come to my attention in which the politico has even acknowledged such methods. Manuel Quezon, political dictator of the islands, stated he preferred to "see the Philippines governed like hell by the Filipinos rather than governed like heaven by the United States." Quezon succeeded Osmena some three or four years ago as a leader of the politics. Osmena, when in power, conducted himself with some consideration of the rights of all of the people and the sovereignty of the United States. Since Mr. Quezon has had control he has observed few of the laws of God or man, and woe betide anyone who dare oppose him. He now comes out in the open, and through Manuel Roxas declares against the first requisite of good government, free speech, and a threat against anyone who would criticize or oppose his attempt to make a hell of the Philippines.

I was very much surprised at the recent attack upon Governor General Wood by one of our Members from Texas. His whole speech is full of inaccuracies. I have a real affection for this Member and so will not criticize him or question his motive. He criticized Governor General Wood indirectly for the conviction of a member of the Manila City Council who was sentenced to two months' imprisonment on the charge of having used insolent language toward the representative of the American people in the Philippines. The governor knew nothing of the occurrence. The offender was tried and convicted in a Filipino court and, I supposed, sentenced by a Filipino judge. I want to say to the gentleman from Texas that no State south of the Mason-Dixon line would have allowed such a studied insult to a white official to go unpunished. His reflection upon a man whose lifetime has been spent in service and sacrifice for his fellow men is in direct contrast to the spirit and prac-

tice of the South. Another portion of his remarks is devoted to free speech and I will quote them.

Mr. JONES. Mr. Chairman, will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. JONES. Was not this remark supposed to have been made in the course of a political speech?

Mr. UNDERHILL. It was made during a political campaign.

Mr. JONES. Does the gentleman know of any instance where the courts have given a jail sentence to any man in America, white or black, who has used such language in a political speech?

Mr. UNDERHILL. The gentleman knows the temper of the State from which my honorable friend comes enough to realize that had the Governor of the State of Texas been insulted, as was the Governor General of the Philippines, the man who did it would not have had a chance to get to court.

Mr. JONES. I have heard a good deal stronger remarks made in Texas during political campaigns, and no one thought of sending anyone to jail.

Mr. UNDERHILL. Down in Texas those to whom I refer and to whom the gentleman refers do not vote or participate in elections.

Mr. JONES. They have the privilege, and at least some of them vote.

Mr. UNDERHILL. No; they do not.

Mr. JONES. Yes; they do. That charge has been made time and again in regard to other States, but it can not be made as to my own State. A good many of them vote. They have the same requirements for voting that the white people have, and they have the privilege of voting, and a considerable number of them do, though, of course, not anything like all of them.

Mr. UNDERHILL. Following this incident, there came a dispatch this morning from the Philippines, though it is dated on the 17th. That dispatch is as follows:

MANILA, February 17.—Antonio D. Pagua, councilman elect, was convicted to-day on a charge of sedition and sentenced to four months' imprisonment in connection with alleged insulting words used against Maj. Gen. Leonard Wood during a political campaign. On January 8, Pagua was sentenced to two months' imprisonment on a similar charge. Both cases have been appealed to a higher court.

I say to the gentleman that practically all of the courts in the Philippines are controlled absolutely by the Filipinos, through the dictator Manuel Quezon, and that according to his interpretation of the Jones law—drawn by Mr. Jones, a former Member of this House from Virginia—the legislature must confirm every nomination or appointment made by the governor. As a consequence, practically all of the American judges in the lower courts have retired from office, and most all those positions are now filled by Filipinos. It is not particularly to the gentleman's reference to Governor General Wood that I wish to direct attention, but to some of his other remarks in that speech.

Mr. BANKHEAD. Mr. Chairman, will the gentleman yield for an inquiry?

Mr. UNDERHILL. Yes.

Mr. BANKHEAD. This is purely for information. Are the inhabitants of the Philippine Islands, as the government is now constituted, entitled to any privileges equal to what are known as the privileges in our own Bill of Rights with respect to free speech and a free press?

Mr. UNDERHILL. As I understand, there is no liberty or privilege enjoyed by the people of the United States that is not enjoyed by the Filipinos, except the right of trial by jury.

I want to call attention to some of the remarks which the gentleman made in his address, and I think it was on the 9th of January. I have taken them from the RECORD, and I shall read them so as not to do him any injustice:

The Governor General of the Philippine Islands refused to let them legislate for a long time except in accordance with his own wishes. In other words, he has heretofore refused to let them act. Now, it seems he is going to refuse to let them talk; and I suppose the next thing he will do will be to refuse to let them think. Shades of the continental advocates of free speech. \* \* \*

Mr. Speaker, we are living in strange times. According to the provisions of the Constitution of the United States freedom of speech is guaranteed. This is one of the most highly prized rights of the Anglo-Saxon race. Shall we deny to those whose destinies we control the same privileges we claim for ourselves?

It is well that this is so, because freedom of discussion is the finest safeguard of the liberty of any people, and suppression of free speech and freedom of expression is the greatest weapon of any oppressor and any autocrat.

In the light of this threat of boycott and intimidation I think the gentleman from Texas should revise and extend his remarks, applying them to American citizens as well as to the Filipino subjects.

Now, I will refer back to the dispatch from Manila that Mr. Roxas, speaker of the house of representatives, had come out flatfootedly for such action. What action? Boycott, intimidation of American citizens who are opposed to the granting of independence by leaders, thereby showing absolutely that they are not fit as yet to govern themselves; thereby showing that they have abandoned and thrown overboard the one great principle of democracy, that of free speech.

Mr. JONES. Will the gentleman yield?

Mr. UNDERHILL. I will.

Mr. JONES. Did not the American Colonies resort to the same system when we got into the controversy with England or just before that?

Mr. UNDERHILL. I will agree to that, but I will not agree that the conditions are at all the same. I do not recollect any incidents of history during the Revolution which were not based on the demand of the governed, to have a representation. Those were the fundamentals upon which they based their demands for independence. If they had been granted, there would have been no revolution. Now, the conditions in the Philippines are these: There is no taxation without representation. There has not been a dollar of money raised in the Philippines since we took possession of the islands but which has been spent in the Philippines for development and improvement; not one dollar has been brought to this country. On the other hand, millions of dollars have been contributed by this Government and by individuals for the development of the Philippines.

Mr. JONES. Will the gentleman yield?

Mr. UNDERHILL. I will.

Mr. JONES. The gentleman may be correct in that last expression, but I have heard a Member advocate on the floor of this House once or twice during this session—not on the question of taxation, but on another internal question—that we should dictate to the Filipinos what land laws they should enact so we might grow rubber for our own benefit, or rather that we should pass a law changing their present land laws.

Mr. UNDERHILL. There is more ignorance on the Philippine question than any question before the Congress.

Mr. JONES. I am talking about what some one else said.

Mr. UNDERHILL. They are no more right than the gentleman is; not a bit. The land laws of the Philippines are in the organic act passed by Congress.

Mr. JONES. Now, the gentleman is in error as to that. I have the organic act, and it says:

And the Philippine Legislature shall have power to legislate with respect to all such matters as it may deem advisable, but acts of the Philippine Legislature with reference to land on the public domain, timber and mining, hereafter enacted shall not have the force of law until approved by the President of the United States.

Thus they may enact their own land laws, except that laws affecting their public domain are subject to approval by the President of the United States. Of course the Governor General may veto any of their enactments.

Mr. UNDERHILL. Very true, but—

Mr. JONES. I would also call the attention of the committee to the fact that some folks not only in Congress but out of Congress—for I have a clipping taken from to-day's paper that Firestone urges that the Congress should enact a law which will take away the control of their own land laws; that Congress should enact a law to give corporations the privilege of going over there and owning land without restriction. This would have the effect of our changing their land laws after the enacting of the present organic act, which gives them that authority subject to the President's approval.

Mr. UNDERHILL. I intended when I started to confine myself to the discussion of the economic and political conditions of the Philippines.

If I could get time enough I would like to go into this question of raising rubber in the Philippines.

Mr. WAINWRIGHT. Will the gentleman give way for a question?

Mr. UNDERHILL. Yes.

Mr. WAINWRIGHT. Is it not a fact that the present restriction as to the ownership of land in the Philippines is not by virtue of any act of the Philippine Legislature but by virtue of an act of Congress passed in 1902?

Mr. UNDERHILL. I tried to make that clear, but the gentleman would not accept my explanation.

Now, just a brief word about this rubber question. I do not care personally whether they ever grow a rubber plant or tree in the Philippines, but so far as the Filipinos are con-



cerned it would be one of the best things that could ever happen if American capital could be induced to go there and be guaranteed protection, thereby giving employment to thousands of Filipinos who are leaving their native land to work on the sugar plantations of Hawaii.

Mr. JONES. Will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. JONES. I agree with the gentleman that that would probably be to their interest, but the point I am making is that they should be prevailed upon to change their land laws themselves so as to govern themselves, and we should not dictate to them.

Mr. UNDERHILL. Well, I will agree to that if you will tell me any way, shape, or manner whereby the almost universal opinion of the Filipinos can find expression. They are ground down now by their bosses, who hold a tremendous power, and who have established an oligarchy consisting of a comparatively few politicians who control the situation; who will not give way or pass any laws which will result in the further investment of American capital and the further advancement of the Filipinos themselves. When the day comes that those people over there dare to assert themselves, and when they have the proper protection, you will find that the superabundance of opinion is against the rule of these men who only seek their own personal aggrandizement.

Mr. JONES. I have heard that statement made many times. I wish the gentleman would explain how they are able to do that when there are two parties over there. They go before the people, and I understand nearly 1,000,000 votes were cast in the last general election. That being true, how can this little oligarchy keep both political parties in favor of Filipino independence, and how do they keep them in line if the sentiment is all the other way?

Mr. UNDERHILL. Well, the gentleman is enough of a politician to know how that is done. I know how it is done up my way, and I presume the gentleman knows how it is done down his way.

Mr. JONES. I say it can not be done in any country where the vote of the people is determinative of the policy of government. It seems to me there is a complete answer to the gentleman's position when the fact is that both political parties have declared for independence and neither party has ever dared to declare against it, nor has any candidate declared against it. I say that is proof, whatever may be the wisdom of the policy, that the sentiment of the people there is for independence.

Mr. UNDERHILL. Does the gentleman suppose that if they had any such support as the gentleman argues they have they would think it necessary to start a program of boycott and intimidation such as is contemplated by this oligarchy?

Mr. JONES. I do not know what that article shows, and I am not quite willing to accept it. I do not know whether Mr. Roxas made those remarks; I do not know the circumstances under which they were made, or anything about them. However, I will say to the gentleman that I do not approve of that system of handling the situation. But we have had boycotts in this country which I do not attempt to justify. As the gentleman knows, certain elements have frequently organized boycotts. I do not think that is a proper system, but it has been done. You can not judge a whole people by a single expression.

Mr. WAINWRIGHT. Will the gentleman yield?

Mr. UNDERHILL. Yes.

Mr. WAINWRIGHT. Since the question of rubber has come up, in what part of the Philippine Islands are the lands adapted to the growth of rubber?

Mr. UNDERHILL. If I were to go into that matter it would take all of my time; but in passing I want to say this: That the land, or the greater part of the land, which is available for rubber production is on the island of Mindanao.

Mr. WAINWRIGHT. In the Moro country?

Mr. UNDERHILL. In the Moro country; and I will tell you later on just how the Moros feel with regard to their own government and their own lands.

Mr. SPEAKS. Will the gentleman yield to me?

Mr. UNDERHILL. Yes.

Mr. SPEAKS. Can any law enacted by the Filipino Congress become operative without the approval of General Wood?

Mr. UNDERHILL. The governor has the power of veto, and he has used it very generously, I am glad to say. [Laughter.]

Mr. SPEAKS. Then wherein does the gentleman assert the Filipinos have any degree of independence?

Mr. UNDERHILL. Well, they have just as much independence and liberty and a great deal more license over there than we have here.

Mr. MOORE of Virginia. Before the gentleman resumes his remarks, may I ask him a question?

Mr. UNDERHILL. Yes.

Mr. MOORE of Virginia. It is only because I am interested in this subject and hope to find an opportunity to say something about it. Is the gentleman's position this: That he is in favor of the status quo that now obtains in the Philippines without any change of the existing law, and that he does not look forward to the time when they will be granted their independence?

Mr. UNDERHILL. I am going to answer that question later. In order that I may not be obliged to ask for further time I am not going to be quite so generous in permitting interruptions.

Although frequently invited to speak and often solicited for interviews, while in the islands I refrained from making any comments until the day previous to my departure, when I accepted an invitation from the American Chamber of Commerce to speak before that body. I took this occasion to tell the Americans that I did not think they were doing their duty either by themselves, the Filipinos, or their own country. They were saving their own skins and subverting patriotism to commercialism. In other words, because of this "jungle fear," they were taking their licking from the politicians lying down instead of standing up and fighting back.

No Filipino over there dares to express himself openly and freely, because some accident is bound to happen subsequent to that declaration. If he owned a carabao, so necessary to the cultivation of his rice field, the carabao unfortunately died. If he had a crop ready for harvesting, he found it was impossible for him to get sufficient help to harvest it. Oh, there are innumerable ways in which these politicians hold their power over there and insist upon having their own way and giving the impression that the people are with them, when it is not so.

One of the Manila papers in its headlines stated that in this speech I "mingled bouquets and brickbats," and I quote further:

You have been strictly on the defensive, which in itself is a confession of weakness. I recommend you to combat the propaganda and lies of the politico with truthful and authentic reports, not only to the Filipinos but also to the people of the United States.

They were not particularly pleased by my speech, as you can well imagine, but they did get busy, however, and we have heard more in the past six months of the real, true conditions in the Philippines than we have heard for an equal number of years. Perhaps this activity has resulted in the threat from the politicians to punish the American. If this is a fact, I may be held responsible in part, but I am not afraid of the consequences. As a Member of Congress and an American citizen, I take up this challenge and throw it back in the teeth of the trouble makers in the Philippines or elsewhere. If they want to start something, I, for one, will welcome a show-down.

I advised them to go rather carefully in declaring a policy which they have put into practice heretofore only in an underhanded and subtle way.

It would take several weeks to present to the House my experiences and the results of my investigations. My remarks with reference to the situation and to the people are without a trace of bitterness in my heart, for I have a real affection for most of them which I hope I may retain during my whole lifetime.

While in the Philippines I talked to all races and classes and found only a small group in favor of independence, and those mostly in the vicinity of Manila. The Igorots are positively opposed and openly state that they will resist any attempt on the part of the Filipino to govern them should the islands become independent of the United States. The Moros are the hereditary and implacable enemies of the Filipino, and a great deal of the recent trouble on Mindanao is the result of an endeavor to Filipinize the Moro country.

Let me tell you of one instance that came to my attention. A poor Moro came before a former governor down in the Moro country and laid his complaint before him. The former governor said to him, "My friend, I am sorry, but I can not do anything for you." This Moro had been a fighting man, and he said, "Didn't you promise me and my people that if we laid down our arms, if we gave up our guns, we should have the justice and protection of the United States?" "Oh, yes," he said, "I told you that," and he tried to explain the situation that the Philippine Legislature and Mr. Quezon had complete control and power of confirmation of appointments. Men could not be sent down to the Moro country who had previously helped to govern them. The poor Moro looked up to the flag that was flying from the staff and said, "What flag is that? Is

not that the flag of the United States?" "Yes." "Does it not mean that the United States has control here?" "Well, yes; partially." "Well, why can't I get justice?" And I ask for him and for his million brothers why can not these Moros get justice. They can not get it just as long as we give the power to the legislature to interfere and prevent the Governor of the Philippines, the direct representative of the President and the Congress, from appointing proper men to govern these Provinces.

I also talked with school-teachers, representatives of the clergy, and native Filipino business men, and they, too, fear independence. The art of intimidation has been developed to the nth degree and most people fear to declare themselves or to combat the politicians openly because of the boycotting, ruination of their business, and bodily harm which ensue. I found a few of the more prosperous and wealthy class strongly in favor of independence. They have an intense racial pride and an equally strong conceit. Unconsciously, what these latter really desire is a government of aristocrats, an autocracy which would exploit the rest of the population, not because they want to exploit them, entirely, but because they would have to exploit them. They expect to take a "place in the sun," to establish embassies in the capitals of every nation and as ministers and ambassadors dazzle the world with the magnificence of their state. They have little knowledge of economies.

They do not visualize that independence would mean their total financial ruin and that they could not carry on these embassies and ambassadorships, and so forth, without the market which the United States affords.

The Philippines now enjoy a market for all of their products in the United States without payment of duty. Should independence be granted they would run up against our tariff wall and it would be impossible for them to market their output profitably anywhere else in the world. The day that independence is declared, provided it should come any time in the near future, the people of the Philippines might just as well lay the ax to the root of every coconut palm, apply the torch to every cane field, plow under the tobacco plants, and allow the needle to rust in the cloth as far as exportation of their product is concerned. Hemp would be the only article free from duty. The Philippines enjoy one of the lowest tax rates in the world, and they are relieved of practically all great governmental expenses such as the maintenance of an army and navy for purposes of protection, the maintenance of a diplomatic and consular service, and so forth.

There is no unified spirit of civic sacrifice or responsibility among the various tribes. During a previous administration many of the governmental activities were turned over to the Filipinos for management. They were in excellent condition, but it was not long before the lack of experience and efficiency made itself manifest. Politics took the place of policies and permeated every department. The bank of the Philippines was practically wrecked with a loss of ₱60,000,000. Neglect in the department of health was responsible for an increase of small-pox and cholera, which took a terrific toll of human lives. The land court was shot to pieces and injustices were perpetrated on the poor people; and it is for the poor people I am trying to speak here this afternoon.

There is a colony for lepers on the Island of Cullion where all sufferers from this disease were supposed to be segregated. Governor General Wood, who is a doctor by profession, noted the appearance of leprosy in the streets of Manila upon his arrival, and one of his first acts was to gather up about three hundred lepers within the boundary of the city itself and send them to Cullion. For this humane and protective action he was criticized most severely, as has been practically everything he has attempted to do.

The legislature established under the Jones bill has usurped many of the duties and prerogatives of the Executive, and General Wood ever since his occupancy of the office has been subject to subtle insult, aggravation, and humiliation, which had its source with the politicians. Such a situation can not continue without serious consequences. They are being fed up with impossible promises. The promise of place and power is held out to the wealthier class and a relief from work and taxation to the poor "tao." The Philippines enjoy all of the liberty, justice, and privileges which prevails in the States. What the unprincipled seeker for power wants is an opportunity to plunder the people at will.

I did not remain in the Philippines for such a great period of time, but one does not have to be there more than a few days or to go more than a hundred miles from Manila to come to the conclusion that independence would spell ruin for the people of the islands.

One of the questions which I propounded wherever I went was, "If independence is declared, who will be the first president of the Filipino Republic?"

I asked chauffeurs, I asked the drivers of the camarettas, I asked the drivers of the carabao carts, I asked the native in the field, and I asked them in the market place, I asked them everywhere I went, "Do you want independence?" In some cases I had to gain their confidence before they would give me a reply. Invariably it was "No," but in many instances it came without an effort, and they declared that they did not want independence.

Mr. BLANTON. Will the gentleman yield?

Mr. UNDERHILL. I yield.

Mr. BLANTON. Suppose these people knew that the administration now is against giving them independence, and they knew that the distinguished gentleman from Massachusetts was a prominent Congressman representing the administration over there, could you have expected any other answer from these poor people?

Mr. UNDERHILL. Oh, the gentleman supposes a lot that is not so. In the first place, the gentleman from Massachusetts went as a private citizen. He did not represent the administration. He was not advertised. Nobody knew he was coming there.

Mr. BLANTON. But looking at the gentleman they could tell he is a distinguished Congressman. [Laughter and applause.]

Mr. UNDERHILL. I wish the gentleman was as sound in all of his deductions as he is generous with his flattery. [Laughter and applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. WOOD. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. UNDERHILL. The answer differed according to the individual or group interviewed, but the tenor of the reply was the same.

For instance, up in the Igorot country I had a delightful visit of six or seven days and spent all the time I possibly could at the market place. I became well acquainted with a great many of the merchants up there, both men and women, and their reply to my question ran somewhat like this: "We are not fitted for independence; we like the United States. Quezon wants to be king, but let him show his head up here and he will lose it."

Mr. BEEDY. May I ask the gentleman a question?

Mr. UNDERHILL. Yes.

Mr. BEEDY. The gentleman speaks of talking with the "tao" in the field and with the lowly natives at the market places, with the drivers of taxis, and others in lowly stations. Were all these conversations in English?

Mr. UNDERHILL. Oh, yes.

Mr. BEEDY. They all speak English?

Mr. UNDERHILL. English is almost universally spoken, particularly in and around the larger cities. When you get back into the interior there are some few who do not speak English, who speak Spanish. Often they pretend they do not speak English, but I found some very charming people who, after they got over their embarrassment, would carry on a very good conversation in English.

Señor Osmena is the Visayan candidate for president, not a self-declared candidate, but greatly beloved by the Visayans, a man of great ability and former power. He formerly shared his power with Quezon, who has treacherously undermined his influence. The Visayans declare they will go to war unless their favorite is the choice of the voters. A large group of prominent and influential Tagalog Filipinos, several of them former insurgents, declared that Aguinaldo will be the first president. I asked how that would be possible, as he was an Americanista and the election machinery was under the control of Quezon. Their unanimous voice replied, "Yes; he has the election machinery, but Aguinaldo has the men and guns!" The Moro declares that it makes no difference who may be elected; they will declare their independence of Filipino rule and demand a retention of American rule. If denied this, they will secede from the contemplated republic and establish an independent government and maintain it by force of arms.

There is no doubt in my mind that upon the withdrawal of the United States civil and military forces there would be a resumption of the savage tribal warfare which prevailed for many years previous to our occupation.

Since my return from the Philippines I have met many people who have visited or lived for some years in the islands, and I have yet to come in contact with any person who does not hold views similar to my own.



The Philippines are no more fit at the present time for self-government than an equal number of children. The Spaniards left them a heritage of Christianity and in direct contrast a heritage of corruption. I have mentioned their universal courtesy and generosity, but they can be treacherous and merciless. There is no question of their courage. Neither is there any question of their conceit. They are prone to claim credit for the great improvements and progress instituted and engineered by the American authorities. In spite of their many sterling qualities and characteristics, they are easily misled by an appeal to their passions, emotions, and prejudices.

Leaving out the question of Japan or other foreign eastern nations, the Philippines, if left only to the mercies of the political group dominated by Manuel Quezon, would very shortly be confronted with internal dissention, extreme poverty, untold suffering, and the ultimate destruction of the Filipino as a race. It would be a step backward, and if it did not destroy, it would certainly neutralize all of our work of past years and remove from the Orient this outpost of civilization which, I believe, in time will win the Far East from corruption and intermittent warfare to general justice and continued peace. The work of years was almost destroyed during a previous administration, but Governor General Wood and his coworkers are surmounting tremendous obstacles under the most discouraging conditions, and unselfishly and patiently building anew. If given proper support, they will achieve wonderful results for the islands and its people.

The President of the United States has recently recommended increased powers for the Governor General of the Philippines. Such a bill is in preparation in Congress, which will determine disputed authority and separate completely the executive, legislative, and judicial functions in the Philippines. I trust that the people of our country will not be misled by the propaganda which has been so widely disseminated in behalf of Philippine independence. One million pesos or a half of a million dollars each year has been taken from the treasury and the taxpayers of the Philippines to pay for commissions, bureaus, and publications spreading false statements to the American people. In former years this fund has not only been drawn upon for the lavish entertainment of newspaper men and public men in Washington but also to the extent of paying the expenses of some of them who have visited the Philippines. There may be nothing dishonest in this, but such favors can not well be accepted without laying the recipient under a moral obligation.

The Filipinos and the the Philippines are not now fit for independence and self-government. It will take a long time for them to assimilate these responsibilities. Until that time shall have arrived it would not only be unwise and unjust to the Filipinos, unpatriotic and uneconomic to the United States, but uncivilized and un-Christian to the world. The Philippines need the guidance and protection of the United States. The United States needs the products of the Philippines. The world needs this outpost of civilization and guaranty of peace in the Far East. [Applause.]

Mr. SANDLIN. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, the so-called modificationists claim that they are not for nullification, yet they clamor for beer and light wines. The eighteenth amendment of the Constitution, which was promptly adopted by 45 out of 48 States—

Mr. HILL of Maryland. Mr. Chairman, may we have order? We want to hear the gentleman.

Mr. BLANTON. I think they can hear me; I am glad that the gentleman from Maryland has announced that he is here, for I am going to talk to him. As I was saying, the eighteenth amendment was promptly adopted by 45 out of the 48 States of the Union, providing that the manufacture and sale of intoxicating liquor is unlawful and prohibited, and it also provided and directed Congress to pass an enforcement law—a statute that would enforce the constitutional provision, and the Volstead Act attempted to do that.

The fact that Volstead happened to be chairman of the committee and that the bill was named after him has no connection whatever with the prohibition situation. If Mr. Volstead had never been heard of, there nevertheless would have been just such a law, for it was framed by all the members of the Judiciary Committee. I want to say right now that in my honest judgment if his successor in the House [Mr. KVALE] had been chairman of the Judiciary Committee, he would have insisted on even more stringent an enforcement law than you have at the present time, for he is in favor of preventing all people from getting liquor. [Applause.]

Mr. HILL of Maryland rose.

Mr. BLANTON. Pre-war beer and wine are intoxicating. Will the gentleman from Maryland deny that pre-war Milwaukee beer was intoxicating? No; and nobody else will.

Mr. HILL of Maryland. Did the gentleman from Texas ever taste Milwaukee beer?

Mr. BLANTON. No; but I do not yield to the gentleman. I know others who did taste it. Mr. Chairman, I can take the distinguished rider of the white charger from Baltimore to a saloon there in his home city and feed him some of that beer that will make him so drunk he will not know whether he was ever an officer in the United States service. [Laughter.]

Mr. HILL of Maryland. Will the gentleman yield?

Mr. BLANTON. No; I can not yield.

Mr. HILL of Maryland. How does the gentleman know?

Mr. BLANTON. I have good information, and I have been informed that there are 50 saloons in Baltimore to-day violating the Volstead law. Will the gentleman deny that?

Mr. HILL of Maryland. Certainly I will, and prove it. [Laughter.]

Mr. BLANTON. I mentioned that subject to a Baltimore man to-day, and he said not 50 but that there are 400 saloons operating there now.

Mr. HILL of Maryland. Oh, he was giving you confidential information for your guidance and not for publication. [Laughter.]

Mr. BLANTON. I am going to use the information, information that comes to me as a representative of the people as to the violation of this constitutional provision against every one that is trying to nullify it.

Now, Mr. Chairman, personally we all like the gentleman from Maryland [Mr. HILL]. He and I are personal friends. And, so far as the gentleman from Illinois, our colleague [Mr. BRITTON] is concerned, there is not a more accommodating colleague in this House. He has done me many kindnesses and has shown me many courtesies, and I like him personally and would reciprocate to him personally. But this resolution which he introduced the other day, which, as he thought, indicted merely the Anti-Saloon League, is, in fact, an indictment against 80 per cent of the best people in the United States who are backing the Anti-Saloon League with both money and their sentiment and moral support.

What is the Anti-Saloon League? It is an organization that is upheld and supported by many of the very best moral men and women in every State in this land.

Mr. SCHAFER and Mr. DEAL rose.

Mr. BLANTON. I regret that I can not yield. Let the gentleman answer me in their own time. The Anti-Saloon League is composed of many of the best people in the Methodist denomination, many of the best people in the Baptist denomination, many of the best people in the Christian Church and in the Presbyterian Church and in the Episcopalian Church and by many in the Catholic Church. It is composed of some of the very best Christian people of these United States. It is merely the organization that represents the moral forces from practically all of the churches in the United States that does the real fighting in the front-line trenches to keep saloons out of the country and to fight back the encroachments of the liquor interests upon the law of the land. Since I was a young man I have been fighting shoulder to shoulder with the Anti-Saloon League to annihilate saloons. I have helped it to dry many counties in my State. I have made speeches in many parts of the country against the liquor interests. I have had many joint debates with wet advocates. Yet the Anti-Saloon League has never yet contributed one dollar in any one of my political campaigns.

What if it did contribute funds in Volstead's campaign? Did it not have the right to do it? The liquor interests were fighting Volstead. Yet I believe that it should not have taken a stand against our colleague from Minnesota [Mr. KVALE]. He has been a minister of the gospel for 29 years. Up to the time that he ran against Mr. Volstead there was not a better friend to the Anti-Saloon League in the United States than Mr. KVALE. He has let members of that organization appear in his church and work in his church. He has cooperated with them and collaborated with them, has contributed his funds to them, and he has been their friend. It was a mistake when the Anti-Saloon League espoused the cause of Volstead as against KVALE. Between two prohibitionists it should be "hands off." As a prohibitionist, I would prefer KVALE to Volstead. He has done far more than Volstead, individually, to obliterate the saloons. He has been against the saloons, he has preached sobriety to the people, he has spent his money in the cause, and yet he is a man who, according to his religious belief, is not hidebound on that subject. He is after the saloon interests

and the saloons of the country; and if that is not so, I will yield to him now to deny it.

Mr. BOYLAN. Mr. Chairman, will the gentleman yield to me?

Mr. BLANTON. No; I am going to yield to my friend Mr. KVALE, if he chooses to correct me.

Mr. LINTHICUM rose.

Mr. BLANTON. And does the gentleman from Maryland [Mr. LINTHICUM] deny that there are as many as 50 saloons in Baltimore now?

Mr. LINTHICUM. I would not be a bit surprised. That is the outgrowth of this Volstead Act.

Mr. BLANTON. Yes; and it is the outgrowth of such sentiment as another distinguished gentleman from Maryland who occupies a high position in the country fostered when he said that "our Government might just as well admit that we could not enforce the prohibition law."

Mr. HILL of Maryland rose.

Mr. BLANTON. I regret that I can not yield. I have not the time.

Mr. HILL of Maryland. Oh, I thought the gentleman had yielded.

Mr. BOYLAN. I am sure that the gentleman will yield to me.

Mr. BLANTON. I can not yield, even to my distinguished wet friend from New York.

Mr. BOYLAN. I have yielded to the gentleman many times.

Mr. BLANTON. I mean no discourtesy. I have not the time.

The CHAIRMAN. The gentleman from New York will take his seat. If the gentleman from Texas will direct his remarks not to individuals, he will not be interrupted.

Mr. HILL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. I can not yield. I have only a minute left.

The CHAIRMAN. The gentleman declines to yield.

Mr. BLANTON. What do these wets want? [Cries of "A drink!"] Yes; but you will never get it lawfully. Do they want the people of the United States, 90 per cent of the people, to sit down quietly and have no organization whatever and let them put this wet propaganda on our desks every morning, with which I fill my wastebasket frequently? Do they want us to sit idly by, the people who believe in the enforcement of the eighteenth amendment, and let them hold these wet face-the-facts banquets, like they are going to have here next Monday and which cost \$5 a plate? How many of you wet Congressmen are going to spend \$5 a plate for it? Oh, no; you are the specially invited guests of that organization at that banquet and will get yours free. Wets want the privilege of spending what they please, when they please, and how they please, but want the dries to fold their hands and shut their eyes. We will not do it.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. HILL of Maryland. Mr. Chairman, I ask unanimous consent that the gentleman be granted five minutes more.

The CHAIRMAN. The gentleman can not be granted time by unanimous consent. The time is in the control of the gentleman from Indiana and the gentleman from Louisiana.

Mr. SANDLIN. Mr. Chairman, I yield five minutes to the Delegate from the Philippines [Mr. GUEVARA].

Mr. WOOD. Mr. Chairman, I yield him five minutes also.

Mr. GUEVARA. Mr. Chairman, I am very happy to-day to stand right on this floor, where in the past so many liberty-loving people have stood and raised their voice in behalf of human freedom. I was somewhat amazed when I listened to the impressive speech of my distinguished friend from Massachusetts [Mr. UNDERHILL]. If the way in which he describes the Philippine Islands is correct, then the American occupation of the Philippine Islands has been a blunder. [Applause.]

I do not want to take issue now with the gentleman from Massachusetts regarding many of his statements, but I can not, however, let facts which belong to history be misinterpreted. In the first place, the so-called Moros are not the hereditary enemies of the Christian Filipinos, as was asserted by the gentleman from Massachusetts. Whatever circumstances may have created friction between Christian and Mohammedan Filipinos in the past—circumstances not entirely unconnected with the existence of alien dominion—have been of transient character and did not establish then, as they will not in the future, permanent lines of division between men belonging to the same race and inhabiting a common country. Discussing now this point in its political aspect, and taking for granted that the Moros are opposed to our independence, which is not the case, I ask, Where is the principle of majority rule? The Moros numbered 372,464 out of a total population of ten and a half million in 1918, or 3½ per cent of our population. Even if they

are unanimous in opposing our independence, the will of the majority of the Filipino people, of which they are a part, should prevail.

Mr. RATHBONE. Will the gentleman yield for a question?

Mr. GUEVARA. Gladly.

Mr. RATHBONE. In view of the statement made that a majority of the Filipinos do not want independence, I will ask the gentleman if he will not state to this House whether or not a plebiscite vote was taken and whether or not it was not overwhelmingly in favor of independence?

Mr. GUEVARA. It has not been permitted. The Philippine Legislature has approved the bill providing for a plebiscite, but that bill has been vetoed by the Governor General, I know not on what grounds.

Mr. RATHBONE. Will the gentleman yield for another question?

Mr. GUEVARA. Yes, sir.

Mr. RATHBONE. In regard to this vote, as I understand it, there was a vote on the election of members of the Philippine Legislature, was there not?

Mr. GUEVARA. Yes, sir.

Mr. RATHBONE. And a certain number of Filipinos were known to champion the cause of independence?

Mr. GUEVARA. Yes, sir.

Mr. RATHBONE. And the vote for members of the legislature who favored the cause of independence was overwhelmingly ahead of all the other members who were voted for. Is not that correct?

Mr. GUEVARA. Unanimous. Practically every member elected to the legislature has been in favor of Philippine independence. Repeated resolutions presented to the Philippine Legislature have been unanimously adopted.

Mr. BEEDY. All parties were for independence?

Mr. GUEVARA. All parties.

Mr. WAINWRIGHT. Will the gentleman yield for one question?

Mr. GUEVARA. I yield.

Mr. WAINWRIGHT. Would you say that applied to the Moro country?

Mr. GUEVARA. Whenever an opportunity has been given to them for free expression of their views they have expressed themselves in favor of independence. Of course their government differs from that prevailing in the rest of the islands. They have had no chance on the question.

Mr. SCHNEIDER. The gentleman means the Moros did not vote?

Mr. GUEVARA. They were not permitted to vote.

Mr. SCHNEIDER. Prohibited by our Government, by the administration?

Mr. GUEVARA. Yes, sir; because according to the organic law in the territory inhabited by non-Christians the legislators are not elected by the people, but appointed by the government.

Mr. RATHBONE. Will the gentleman yield again?

Mr. GUEVARA. I will.

Mr. RATHBONE. There is no difference in race between the inhabitants of Luzon and other islands, all the same race as set forth by Charles Edward Russell in his book; they are not materially different in anything but religion; is that true?

Mr. GUEVARA. Yes, sir. Now, regarding the unfitness of the Filipinos for independence or self-government. If the Filipino people are as described by the gentleman, I will say then that it is the greatest discredit for the American occupation of the Philippine Islands. If we are proud of our association with the United States and the United States is also proud of her association with the Philippines, it is because of the achievements and accomplishments attained in the islands in the last 27 years. These facts have been recognized by different Governors General who belonged to both of the great parties of this country. Therefore, there is no reason or ground for the statement of the gentleman from Massachusetts.

Now, gentlemen of the committee, I wish also to take exception to the statement made here this morning regarding the fact that a political clique in the Philippine Islands is controlling the whole affairs of that country. No one of you who is familiar with conditions in the Philippine Islands and no one of you who has ever read an opposition paper in that country can ever think that there exists a political clique in control of public affairs in that country. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. ROMJUE. Mr. Chairman, I hope that the gentleman may be given five additional minutes.

Mr. SANDLIN. I yield the gentleman five minutes.

Mr. GUEVARA. Mr. Chairman and gentlemen of the committee, there could be no political clique in the Philippine Islands. If such a condition existed in the Philippine Islands,



the opposition party in our country could never exist. In the last general election of 1925 all the political forces of my party, including myself, supported one of our candidates. The opposition party fought him very hard, and the result was that our candidate was defeated, a charge having been made that our opponent was stronger for independence than we are. What does this mean? That there is no political clique controlling the affairs of the Philippine Islands, otherwise the opposition party could never have defeated our candidate. I wish to cite to you the name of that candidate, Judge Juan Sumulong. He defeated my party in that election because he was supposed to be stronger for independence. After the election he joined with my party for the purpose of fighting for independence, and he is now a member of the supreme council recently organized in the Philippine Islands to work for immediate and complete independence.

The opposition party has succeeded, also, in defeating several of our candidates in other districts in the far Provinces. If there were a political clique in the Philippine Islands, and if the leaders of our party were controlling the will of our people, how could that happen?

Mr. JONES. Will the gentleman yield?

Mr. GUEVARA. Yes.

Mr. JONES. Has the gentleman, in all of his experience, ever known Mr. Quezon, or any other of the Philippine officers, to send out a threat to use arms or men or armed officers or ammunition or men to make the people vote the way they wanted them to vote?

Mr. GUEVARA. Never.

Mr. WAINWRIGHT. Will the gentleman yield for another question?

Mr. GUEVARA. Yes.

Mr. WAINWRIGHT. If you—and by you I mean the people of the northern islands—were given your independence, would you insist on having the island of Mindanao included?

Mr. GUEVARA. Certainly.

Mr. WAINWRIGHT. Would you be willing to leave that to a plebiscite of the Moro people?

Mr. GUEVARA. I am willing if we are allowed to do so.

I do not want to convey the idea to the House that the gentleman from Massachusetts may not have obtained the impression about some people in the Philippines being opposed to independence. I will admit, for the sake of argument, that there might be cases where some individuals have told the gentleman from Massachusetts that they do not want independence. But these isolated statements can not be taken as the expression of general sentiment of the Filipino people. All the recognized methods for the expression of popular will have shown only one result—an overwhelming sentiment for independence. But to prove to the satisfaction of the gentleman from Massachusetts that the Filipino people are for independence I will ask him to cooperate with me to secure the passage of a bill giving the people of the Philippine Islands the opportunity to express their will on the subject through a plebiscite. I regret, however, to inform this House that the Philippine Legislature, in its desire to give this opportunity, passed a bill in the last session calling the people of the islands to a plebiscite in order that they may express their opinion on that question, and that bill, unanimously approved by our legislature, was vetoed by the Governor General.

About the supposed statement Speaker Roxas, of the House of Representatives of the Philippines, regarding the boycott of American goods. I am not in a position now to say whether or not such a statement was really made by Speaker Roxas. But in the event that he did, I wish to ask you to place yourselves in the position of the Filipino people, with all these expressions against the fulfillment of the American promise of independence, with the systematic campaign directed toward that end by certain commercial interests, and ask yourselves what you would do under the same circumstances and conditions? There is no need to recall the refusal of your people to buy English products during your struggle for freedom—a refusal which, whatever may have been the attitude of those affected at the time, is now commended by all Americans.

Setting aside all these considerations, and with due respect to his views on the matter, I do not believe that the manner in which the gentleman from Massachusetts discussed the Philippine question is the best way to solve the same. The Philippine question is not only a problem for the Filipinos; it is also a problem for the American people. We can not solve it by depreciating either the Filipinos or the Americans. On the contrary, it will take us further from the end we are seeking. A mutually satisfactory solution of the Philippine problem can be had only by appealing to the best that there is in both peoples. [Applause.]

The CHAIRMAN. The time of the gentleman has again expired.

Mr. SANDLIN. Mr. Chairman, I yield 12 minutes to the gentleman from Nebraska [Mr. Howard]. [Applause.]

Mr. HOWARD. Mr. Chairman, 12 minutes is not a very long stretch of time. It does not cover a large period, but I apprehend that some prejudiced persons may say that it is just as large as my present subject.

Mr. Chairman and gentlemen, I direct your attention to that which was, and has been for some time, perhaps, the most prominent attraction in the daily newspapers of our country, the secrets hitherto hidden within the keeping of a very mysterious man by the name of House. [Laughter.] I have been reading those papers, and I have reached the conclusion that, from the day this mysterious man began guarding and directing the destinies of men and of nations, no worth-while step has been taken by any prominent man in the affairs of the Government of the United States, only as it was taken following the advice of Mr. House. [Laughter and applause.]

Mr. House was the confidential adviser of an acknowledged very great man who was the honored President of our country, but I challenge your attention to the fact, gentlemen, that if you will carefully read the disclosures now being made by Mr. House you will find that that great man made a mistake every time he did not go just as House had recommended him to go. [Laughter and applause.]

Some one has said—I do not know whether it was Shakespeare or another—that no valet ever beheld a hero in his master. House did not. [Laughter.] Only when the master followed the advice of House.

O Mr. Chairman, the most impressive thought that comes to me in this hour is the thought of regret that House did not live long, long ago. Had he lived among the ancients it had not been necessary for the great Ingersoll to deliver his lecture on the Mistakes of Moses. [Laughter and applause.] There would have been no mistakes had House been there. [Laughter.] I can recall so many instances from my readings where I might wish House had been. Had House been there to guard Nani her cheek would have never been polluted by the kiss of Tajara. [Laughter.] If that master military monarch, of whom it has been said that he was the greatest who ever “shook the earth with his mail-shod boots,” had only had House for an adviser, Josephine, perhaps, had not been put away. [Laughter.] According to House every great man marks his own downfall from the date he fails to take good advice. I am wishing ever and ever so earnestly that that great master, in whom this particular valet did not behold a hero, only when the master was following his advice, might have been sufficiently strong to have advised him when he did not advise him, and to have withheld advice at times when it was wicked to give it. Sometimes I look away back there when the forces of France and of Germany and of England were confronting the returned Emperor from Elba. I contemplate the scene. There was the great duke, the grand Duke Wellington, and he was praying, and his prayer was, “Oh, that night would come or Blucher.” Suppose Colonel House had been on Napoleon’s staff. I am quite sure House might have urged Napoleon to have moved the clock up, or to have stopped it, rather; to have moved the clock ahead or to have stopped it, as the case might be. I am so poor in knowledge of history that I am not quite sure which would have been best under those circumstances. But had House been there, there would have been no doubt in his mind. [Laughter.]

There are so many instances in history where House might have been of value if only he had been there; and think what the world has lost by his failure to have been there. Suppose House had been there in Belshazzar’s day, or Beelzebub’s—I do not know which; maybe it was neither—but House would know [laughter]; and suppose House had encouraged humanity in that day to begin following the custom of that great man in eating grass; all our agricultural problems would have been solved by this time. [Laughter.]

And now we are confronted with the greatest problem before this Congress, and that is, How shall we solve this great agricultural problem which is appealing to us, and which, like a whole flock of Banquo’s ghosts, will not lie down and be still? Why not send for House? [Laughter.] Dickinson thinks he has a good measure, and I believe he is more than halfway right, but why guess at it? [Laughter.] I heard Dickinson say one day that in the settlement of this great agricultural problem there will be glory enough to go all around. There is this difference between Dickinson and House, Dickinson is willing to share glory, and I find no instance in the papers



now being published by House where he was ever willing to share any glory with anybody. [Laughter and applause.]

Some day, my friends, I hope somebody who has better command of language and who knows more of history than I do, so that he will not have to guess so often, will take up this mighty subject and deal with it as it ought to be handled. House has given us the opportunity. House is giving his mystery of the world on the printed page, but the printed page is delectable. Why should not this Congress, having at interest the welfare of the world, and our part of the world particularly, have the Gospel House engraven on everlasting marble so it will not be delectable. [Laughter.]

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. HOWARD. And I am glad of it. [Laughter.]

Mr. SANDLIN. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. EDWARDS].

Mr. EDWARDS. Mr. Chairman, on the 16th of this month I introduced a bill, House bill 9412, which was referred to the Committee on the Library, which is now pending before that committee. My bill asks for the return of certain minutes and documents belonging to Solomon's Lodge, No. 1, Free and Accepted Masons, of Savannah, Ga., which are now in the Library of Congress and a part of the collection known as the Georgia manuscripts.

Senator GEORGE's resolution, having the same purpose as my bill, passed the Senate to-day.

Solomon's Lodge is the rightful owner of the papers referred to, and they should no longer be withheld from the rightful owner. These papers were gotten by the Library with a collection known as the Peter Force Collection.

Solomon's Lodge, No. 1, Free and Accepted Masons, of Savannah, Ga., is the oldest Masonic lodge in the United States, having been established on February 10, 1734, and has played a big part in the history of Georgia. Naturally, every Georgian, especially members of the Masonic fraternity, justly feel a great pride in this "Mother Lodge" and in its splendid history. The records and minutes we are seeking to have returned are of great value to that splendid old organization.

The records were taken away from the lodge by the British during the time they occupied Savannah in the Revolution. Just how these minutes got into the hands of Peter Force we are unable to say, but certain it is they belong to Solomon's Lodge and should be returned. The lodge has never relinquished its ownership to these minutes, and therefore the Library has no legal right to withhold these minutes and records; and I am sure it will not insist upon doing so. I may add in this connection that at a regular meeting of this lodge held on February 4, 1926, a resolution was passed in which it specifically states the lodge agrees to reimburse the Government in whatever amount it paid to Peter Force for these minutes and records. While the lodge has offered to make this reimbursement, I do not believe that it is right, just, or proper that the Government should accept anything whatever from the lodge for the return of its own property. I can not more fully put this matter before Congress than to read what is said in a set of resolutions adopted by the lodge on February 4, 1926, which are as follows:

Whereas the members of Solomon's Lodge, No. 1, Free and Accepted Masons, of Savannah, Ga., are informed in the existing minutes of the lodge now in their possession that all the records of the lodge from the time of the establishment of the lodge on February 10, 1734, until the outbreak of the Revolution in Georgia were made away with by the British during the occupancy of Savannah in the Revolution; and

Whereas the members of Solomon's Lodge, No. 1, Free and Accepted Masons, of Savannah, Ga., have searched diligently for many years for these lost records without result; and

Whereas the members of Solomon's Lodge, No. 1, Free and Accepted Masons, of Savannah, Ga., have ascertained that there exists in the Library of the Congress of the United States, in the city of Washington, D. C., among the collection of Georgia manuscripts obtained in the collection of Peter Force portions of a minute book of a lodge of Masons which met in the city of Savannah, Ga., during the years 1756 and 1757, said minute book consisting of about 24 pages; and

Whereas in said minute book no name is given to the lodge of which it is a part of the record, therefore making identification difficult; and

Whereas no claim of ownership has ever been made for said minute book to the best knowledge of the members of Solomon's Lodge, No. 1, Free and Accepted Masons, of Savannah, Ga.: Therefore be it

Resolved by the members of Solomon's Lodge, No. 1, Free and Accepted Masons, of Savannah, Ga., in regular meeting assembled this 4th day of February, 1926, That they do positively identify said minute book now in the Library of the Congress of the United States as the property of and a part of the record of the lodge which in 1776 became

Solomon's Lodge, No. 1, Free and Accepted Masons, of Savannah, Ga., on the following grounds:

1. This minute book states that during the years 1756 and 1757 the lodge was meeting at Savannah, Ga. One of the meetings was held "at the house of Brother Nunis." Moses Nunis is said in the minutes to have been on a visit to Augusta at the time of this meeting. The meeting was therefore held at the home of Daniel Nunis. The property of Daniel Nunis was located 60 feet east of Barnard Street on the north side of Congress Street in Savannah, Ga.

The records of the Grand Lodge of England, under whose jurisdiction all lodges in Georgia were organized until the year 1786, fail to show any lodge in Savannah, Ga., until the year 1776 except Solomon's Lodge of Savannah, Ga. (See par. 2.)

The histories of Georgia and of Freemasonry in Georgia have frequent references to Solomon's Lodge, of Savannah, Ga., from 1734 until the present, but make no mention of any other lodge as having existed in the city prior to 1776.

2. The lodge of which this is the minute book was a lodge under the jurisdiction of the Grand Lodge of England. This is proven by the name of Gray Elliott on the roster of members. This Gray Elliott, the only man of that name in Georgia at that time, is identified by existing English and Georgia Masonic records as the second grand master of Georgia at the time he was a member of the lodge. He could have been a member of none except a regular English lodge, which this lodge was. Gray Elliott later became the representative of Georgia at the English court at the time that Benjamin Franklin represented all the Colonies. Elliott was also one of the founders of the Presbyterian Church in Savannah, Ga., and the founder of the town of Sunbury, Ga. Solomon's Lodge, of Savannah, Ga., was the only lodge in Savannah from 1734 until 1775.

3. No name is given in this minute book for the lodge of which it is a part of the record. This is evidently due to the fact that Solomon's Lodge, of Savannah, Ga., organized by Gen. James Edward Oglethorpe, on February 10, 1734, was not named until the year 1776. In that year the records of the Grand Lodge of England show that it was named Solomon's Lodge, under which name it has continued until the present day. Prior to 1776 the lodge was yearly shown on the English records as "the lodge at Savannah in Georgia," proving conclusively that there was no other.

4. Solomon's Lodge of Savannah, Ga., is the only lodge in Georgia having a continuous existence from 1734 until the present. The lodge of which this is the minute book was in existence from 1734 until 1775. The roster begins with the names of those initiated in 1734. Had these members not been initiated in this lodge the secretary would have omitted the date of initiation and would have entered only the date of affiliation as in the cases of Gray Elliott, James Boddie, and William Spencer, who were initiated in England but became members of this lodge in 1756. James Paris was initiated in a lodge in Augusta, Ga., but became a member of this lodge in 1756. The signs of the zodiac opposite the names are the dates upon which these men became members of the lodge. These facts prove the existence of this lodge from 1734 until 1775. Solomon's Lodge, of Savannah, Ga., is the only lodge which existed in Savannah during that time. It reported yearly to the Grand Lodge of England during this period. No other lodge did.

5. The minute book in the Library of Congress shows that the lodge continued its existence until the year 1775. The minute book contains a roster, and opposite the names are two notations. One simply states "Dead." Identification of these men reveals the fact that all indicated as "Dead" died prior to 1756. The secretary did not have the date of death as his predecessor evidently did not keep the record. After 1756 several deaths occur, and the month and year of death are given. This record stops in 1775. Solomon's Lodge, of Savannah, Ga., is the only lodge in Savannah which was existing from 1756 until 1775. It reported yearly to the Grand Lodge of England during this period.

6. The minute book in the Library of Congress shows that the lodge continued its existence after 1775. Noble Jones, initiated in 1734, master in 1756, was appointed third grand master of Georgia in 1775 by the grand master of England, as shown by the English records. Noble Jones would not have been appointed unless a member of a lodge. Solomon's Lodge, of Savannah, Ga., was the only lodge in Georgia under the jurisdiction of the Grand Lodge of England at the time of the appointment of Noble Jones.

7. About the year 1754 a lodge was organized in the city of Augusta, Ga. It lasted but two years. James Paris and Edward Barnard were initiated in this lodge. They then transferred their membership to the lodge in Savannah, which was Solomon's Lodge. The record of the lodge in Augusta is contained in the records of the academy in that city, from whom it rented a room from its birth until it ceased to exist.

8. The death record in this minute book suddenly stops in the year 1775, although the colonial records of Georgia show that the majority of the members died after that year. The sudden stop in this death record is explained in the minutes of Solomon's Lodge, of Savannah, Ga., for the year 1785. The existing minutes of the lodge



for that year state that all the previous records of the lodge were destroyed by the British during the occupancy of the city. The secretary could not complete the record, his books being in the hands of the enemy.

9. This minute book was obtained by the Government of the United States among the manuscripts in the Peter Force collection. There is no record to show where Force obtained them. It is evident that when the British entered Savannah these documents fell into their hands with other records of Solomon's Lodge. When the city was captured by the patriots in 1782 the British were permitted to board their ships and sail to New York. These minutes evidently went with them, fell into the hands of parties in the north, and were later purchased from their descendants by Peter Force. The existing minutes of Solomon's Lodge, of Savannah, Ga., state that during the occupancy of Savannah by the British all the records of the lodge fell into the hands of the British and were lost.

10. The existing minutes of Solomon's Lodge, of Savannah, Ga., for the year 1785 state that because of the loss of records of the lodge to the British during the revolution it was necessary in that year to adopt a new constitution, the original constitution which was adopted about the year 1756 having been lost during the revolution. This minute book contains fragments of a complete constitution which was adopted on August 19, 1756. Reference to the existing minutes of Solomon's Lodge, of Savannah, Ga., for October 5, 1785, will show that the constitution of the lodge, which was lost to the British, had been given to the lodge by an "ancient" grand master. A study of the histories of masonry defining the meaning of the term "ancient" will show that Gray Elhott was the only grand master of Georgia to whom this term can be applied. He was a member of the lodge of which this is the minute book and gave this constitution to the lodge in 1756. Solomon's Lodge was the only lodge in Savannah at that time, and this is the lost constitution of Solomon's Lodge.

11. The roster contained in this minute book indicates that no initiations took place from 1736 until 1756. This is explained by the existing minutes of Solomon's Lodge, of Savannah. The existing minutes of Solomon's Lodge, of Savannah, Ga., for the year 1785 indicate that a serious decline took place in the lodge during this period due to the Indian menace, the trouble with merchants of Charleston, S. C., the threat of the Spaniards, the lack of labor in the colony, and dissatisfaction with the trustees. The colony had dwindled to less than 500 people. In 1756, these conditions were corrected, prosperity came to the colony, and this prosperity is reflected in the minutes of the lodge by new life in 1756.

12. In nearly every instance the histories of Georgia for the period of 1734 until 1775 refer to the public appearances of Solomon's Lodge as the appearance of the Masonic fraternity. This is found in the diary of William Stephens, secretary to Gen. James Edward Oglethorpe; the diary of the celebrated evangelist, Rev. George Whitfield; and the report to the King of Governor Ellis upon his arrival in 1757. Governor Ellis reported that he had been cordially welcomed by the Masonic fraternity. Historians generally concede that this meant Solomon's Lodge, of Savannah, Ga. The minutes of the welcome are in the minute book in the Library of Congress.

13. The roster contained in this minute book lists the names of Moses and Daniel Nunis as members in the year 1756, having been initiated in this lodge in 1734. The minutes of Solomon's Lodge, of Savannah, Ga., from 1785 until 1792 continue to show these men as members of the lodge. At their deaths they were buried by Solomon's Lodge, as shown by its minutes. Moses Nunis died at the age of 82, and Daniel Nunis died at the age of 85. The records of Solomon's Lodge, of Savannah, Ga., show them to have been interested and active members. Their remains lie in the Jewish cemetery in west Savannah.

14. James Habersham, whose name appears upon the roster in this minute book, is said by his descendants in the city of Savannah, Ga., to have always been a member of Solomon's Lodge and of no other. In proof of that statement, in 1911, Mrs. E. F. Edwards, his great-granddaughter, gave to Solomon's Lodge a painting of Gen. James Edward Oglethorpe, made from a miniature given by the general to her ancestor, James Habersham. She gave the painting to Solomon's Lodge because James Habersham was an active member of the lodge and because Gen. James Edward Oglethorpe was the founder of the lodge. The three celebrated Georgia patriots, James Habersham, Jr., John Habersham, and Joseph Habersham, were sons of James Habersham and active and interested members of Solomon's Lodge, as shown by the existing minutes of the lodge.

15. Sir Patrick Houstoun, whose name appears upon the minute book, was a member of the King's Council for Georgia. He was the father of Sir George Houstoun, past master of Solomon's Lodge and past grand master of Georgia; and of John Houstoun, first Revolutionary Governor of Georgia and an active member of Solomon's Lodge and officer of the Grand Lodge of Georgia. In 1734, at the time of the organization of Solomon's Lodge, of Savannah, Ga., Gen. James Edward Oglethorpe gave to Solomon's Lodge a Bible. During the Revolution, this Bible was preserved in the home of Sir Patrick

Houstoun, according to the statements of the descendants of Sir Patrick Houstoun.

16. The names of the members of this lodge as contained in the minute book are the names of the great men of Georgia during this period, from 1734 until 1775. Had they been members of any other lodge than the one which is now Solomon's Lodge, of Savannah, Ga., their prominence in the community on the occasion of the public appearances of the lodge would have immediately revealed the fact that a lodge other than the present Solomon's Lodge, of Savannah, Ga., had been organized. History would have revealed its existence, as it has recorded the existence of Solomon's Lodge. No fact can be found on which to base the slightest claim that this lodge, whose minute book is in the Library of Congress, is other than the one which is now Solomon's Lodge, of Savannah, Ga.: Therefore be it further

*Resolved*, That copies of this resolution be forwarded to our Representative in the Congress of the United States, Brother CHARLES G. EDWARDS, with the request that in conjunction with the Senators and Representatives from Georgia in the Congress of the United States such steps as necessary be taken to obtain permission from the Congress of the United States for the return of said minute book to the possession of the members of Solomon's Lodge, No. 1, Free and Accepted Masons, of Savannah, Ga., to whom it lawfully belongs and from whom it has been unlawfully taken; and be it further

*Resolved*, That Solomon's Lodge, No. 1, Free and Accepted Masons, of Savannah, Ga., agrees to reimburse the Government of the United States in such amount as said Government paid to Peter Force, from whom said minute book was purchased.

Adopted by Solomon's Lodge, No. 1, Free and Accepted Masons, at her regular communication held February 4, 1926.

JAMES R. CAIN, Secretary.

This, to my mind, makes out a clear case and establishes the title and ownership of the minutes and records referred to and shows the right of property to be in Solomon's Lodge. It is my earnest hope that the Committee on the Library, which now has this matter under consideration, will promptly bring in a favorable report, recommending the return of the records in question, and I hope there will be no delay on the part of the House to speedily provide for the return of these records.

Permit me to assure you that this splendid old lodge, which has so greatly impressed itself upon our section of the country and the fraternity generally in that section, will be grateful to Congress for the return of these records, which are of great historic interest and of great value to the lodge to which they belong. [Applause.]

Mr. WOOD. Mr. Chairman, I yield 30 minutes to the gentleman from Wisconsin [Mr. SCHAFER].

Mr. SCHAFER. Mr. Chairman, gentlewomen, and gentlemen, at this time I will confine my remarks on House Resolution 134, which I introduced on February 12, 1926, having for its purpose a complete and thorough investigation of all acts of the Alien Property Custodian, as well as the administration of the Alien Property Custodian's office, to the sale to the Allied Corporation of certain alien property listed on page 67 of the custodian's annual report for 1924. Knowing that this investigation will take considerable time of a committee, I have asked that the Committee on Expenditures in the War Department, of which I am a member, be authorized by this Congress to conduct the investigation.

I am one of those who believes the alien property should be returned to its rightful owners, and that Congress should have an accounting of the administration of all alien property before making provisions for said return. I will not take the time of the House to set forth any argument to justify the return of this property, but refer my colleagues to the able speech delivered by Hon. C. A. NEWTON of Missouri on Wednesday, January 20, 1926. I will confine myself at this time to the handling by the Alien Property Custodian of a certain portion of the alien property located in the city of Milwaukee.

I wish to call your attention to page 67 of Senate Document 203, the Annual Report of the Alien Property Custodian for 1924, which comprises part of the report of C. R. Painter, chief real estate section, division of trusts. This reports the following sales to the Allied Corporation:

Trust and report No.	Property	Deed dated 1924	Price
7343	520-522 State Street, Milwaukee, Wis.	May 23	\$20,000
7344	209-211 West Water Street, Milwaukee, Wis.	Aug. 25	30,000
R. 6640	189-191 Hanover Street, 348-354 Florida Street.	May 23	61,000
	Kirby House, Milwaukee, Wis.	do	312,000
	419 Broadway, Milwaukee, Wis.	do	25,000
	2829 Highland Boulevard, Milwaukee, Wis.	do	11,000
	217-219 Twenty-second Street, Milwaukee, Wis.	do	5,000
	2115 Wells Street, 190 Twenty-second Street, Milwaukee, Wis.	do	13,000



There is a public record in Milwaukee recorded in order to assist in clearing the title, a release, and quitclaim deed dated June 2, 1924, to Col. Thomas W. Miller, Alien Property Custodian, executed by Helmuth G. Heyl, Ernest L. Frisbee, Helmuth G. Heyl as attorneys in fact for Reinhard Heyl, authorizing Mr. Miller, who was then Alien Property Custodian, to sell certain real estate for a total sum of \$552,000. This release and quitclaim deed covers the property listed as sold to the Allied Corporation, as appears on page 67 of the 1924 report, and, in addition, covers lot 6 in block 60 in lot 4 in the NE  $\frac{1}{4}$  in section 29-7-22 in the fourth ward of the city of Milwaukee, described by premises 186-188 Third Street.

I wish to call your attention to the annual report submitted to Congress by former Custodian Thomas W. Miller for 1923, which states in part:

In all cases it has been the endeavor of this office to obtain from the enemy or his duly accredited representative an assent to the transaction, which, while not mandatory or binding, protects the Government if any question should arise in the future as to any transaction.

It appears from the public records in Milwaukee that this assent to transactions or release and quitclaim deed, dated June 2, 1924, had been obtained by the then custodian, Mr. Miller, after the property outlined on page 67 of the annual report of 1924 had been sold and deed delivered, as indicated on said page of said annual report.

I have a complete report of the incorporation of the Allied Corporation and find that the Allied Corporation, of Boston, Mass., was incorporated under the laws of the Commonwealth of Massachusetts on November 10, 1922; that the total amount of the capital stock authorized was 1,000 shares of preferred stock at \$100 a share par value, and 2,000 shares of common stock without par value. The names of the incorporators appear as Edgar Child, 64 Thurston Street, Somerville, Mass., who subscribed for one share of common stock; E. Joseph O'Leary, 9 Austin Street, Somerville, Mass., who subscribed for one share of common stock; Edward C. Boyington, 130 Auburn Street, Medford, Mass., who subscribed for one share of common stock. The president at the time of incorporation was the said Edgar Child, the clerk the said E. Joseph O'Leary, and the directors were said Child, said O'Leary, and Boyington. The statement of the corporation which was filed at the time of receiving the license on May 10, 1924, to transact business in Wisconsin, gave the address of the corporation as 60 State Street, Boston, Mass., and named officers as follows: President, Edgar Child, 60 State Street, Boston, Mass.; treasurer, J. E. Poland, Quincy, Mass.; clerk, J. E. Poland, Quincy, Mass.; director, Martin Gilbert, 110 State Street, Boston, Mass.; director, Harold Tillson, 110 State Street, Boston, Mass.

The authorized capital stock was given at \$100,000 at 8 per cent, cumulative preferred stock, and 2,000 shares of common stock at no par value.

This statement, filed at the time the corporation was licensed to transact business in Wisconsin on May 10, 1924, further showed that at the time the corporation was licensed in Wisconsin the only stock paid in was \$300 of capital stock.

Mr. COOPER of Wisconsin. Will the gentleman yield?

Mr. SCHAFER. I yield.

Mr. COOPER of Wisconsin. How much was paid in?

Mr. SCHAFER. Three hundred dollars.

Mr. COOPER of Wisconsin. Is that all?

Mr. SCHAFER. Yes; therefore they did not have any more than \$300 at the time the Executive order was issued for the sale; and I will refer to that later.

The last certificate of condition of the corporation filed under the Massachusetts laws was on November 17, 1924, and contains a statement of assets and liabilities as of December 31, 1923, and gives the names and addresses of the officers, as follows: Edgar Child, president, 64 Thurston Street, Somerville, Mass.; John E. Poland, 15 Buckingham Road, Quincy, Mass.; treasurer; Isidor Meyer, 64 Parkman Street, Brookline, Mass.; clerk; Martin Gilbert, 114 Highland Road, Somerville, Mass.; and H. V. Tillson, Arlington, Mass., all five designated as directors.

I have a letter from F. W. Cook, secretary of the Commonwealth of Massachusetts, dated February 4, 1926, which reads as follows:

THE COMMONWEALTH OF MASSACHUSETTS,  
OFFICE OF THE SECRETARY,  
Boston, February 4, 1926.

Hon. JOHN C. SCHAFER,  
House of Representatives, Washington, D. C.

DEAR SIR: In compliance with the request in your letter of January 31 last, a certified copy of the articles of organization of the Allied Corporation is inclosed, together with a receipt for the fee of \$2.50.

The last certificate of condition of said company, filed November 17, 1924, contains a statement of assets and liabilities as of December 31, 1923. Said certificate showed the authorized capital to be 1,000 shares of preferred stock, par value \$100 each, and 2,000 shares of common stock without par value. According to said certificate, only 3 shares of common stock had then been issued and none of it had been paid for.

Section 47 of chapter 156 of the General Laws provides that every Massachusetts business corporation shall file in this office a certificate of condition within 30 days after the date fixed in its by-laws for its annual meeting, or within 30 days after the final adjournment of said meeting, but not more than 3 months after the date so fixed for said meeting, and section 50 of said chapter provides certain penalties for failure to file. Any action taken against the corporation for failure to file would be taken at the instigation of the commissioner of corporations and taxation; hence it is suggested that you communicate with said official in relation to the above-named corporation's failure to file all of the certificates of condition required by law. His name and address is Henry F. Long, Statehouse, Boston, Mass.

A certified copy of the last certificate of condition of said company may be had upon payment of a fee of \$1.75.

Very truly yours,

F. W. COOK, Secretary.

I have directed a letter to Mr. H. A. Long, commissioner of corporations and taxation of the Commonwealth of Massachusetts, and I read Mr. Long's response of February 15, 1926:

THE COMMONWEALTH OF MASSACHUSETTS,  
DEPARTMENT OF CORPORATIONS AND TAXATION,  
State House, Boston, February 15, 1926.

Hon. JOHN C. SCHAFER,  
House of Representatives, Washington, D. C.

DEAR CONGRESSMAN SCHAFER: I appreciate your letter dated February 9, 1926, with inclosures relating to the Allied Corporation.

I will undertake to exercise all the authority that I may have in the matter as you lay it out.

With every good wish to you personally, I am,

Cordially yours,

HENRY F. LONG, Commissioner.

I also have a supplementary letter from the department of corporations and taxation of Massachusetts of February 16, 1926, which I now read:

THE COMMONWEALTH OF MASSACHUSETTS,  
DEPARTMENT OF CORPORATIONS AND TAXATION,  
State House, Boston, February 16, 1926.

Hon. JOHN C. SCHAFER,  
House of Representatives, Washington, D. C.

DEAR SIR: Supplementing my letter of February 15, I desire to write you as follows: The Allied Corporation was organized under the laws of the Commonwealth of Massachusetts November 10, 1922, with a capital stock authorized of \$100,000 preferred stock and 2,000 shares of common stock. Only three shares of common stock have ever been issued as far as the records of this office show and no preferred stock. The corporation was enjoined from transacting any further business on December 3, 1924, for failure to file its annual certificate of condition. This injunction was dissolved on March 6, 1925; that is, the corporation complied with the law, filed the return, and paid the penalty and was authorized to transact business on that date. Under date of December 15, 1925, the corporation was again enjoined from transacting business for failure to file the certificate of condition due December 31, 1924. This injunction, as far as the records appear in this office, is still in force, and at the present writing the corporation has no authority whatever to transact business.

You will see, therefore, that between the 3d of December, 1924, and the 6th of March, 1925, the corporation had no authority to transact any business of any kind, and the authority to transact business was again denied them on the 15th day of December, 1925. Of course it must be stated that this disability can be removed by the filing of the paper.

I do not know the dates of the purchase or sale of the property set forth in the Milwaukee letter, but I should say that either the purchase or sale, if transacted between the dates when this corporation was enjoined from transacting business, would be an invalid transaction.

Hoping this will give you the information you desire, I am,

Very truly yours,

EDWARD A. DOHERTY, Second Deputy.

Mr. SCHNEIDER. Will the gentleman yield?

Mr. SCHAFER. Yes.

Mr. SCHNEIDER. I did not get the date when that letter was written by the Massachusetts official giving the information.

Mr. SCHAFER. February 16, 1926.

I now read a letter from Hon. Fred R. Zimmerman, secretary of state for Wisconsin, of February 1, with reference to the failure of the Allied Corporation to file annual report in



compliance with the law and the resulting forfeiture of license. This letter also shows that the statement of the corporation at the time the Wisconsin license was issued indicated that only \$300 of capital stock was actually paid in:

DEPARTMENT OF STATE,  
Madison, Wis., February 1, 1926.

Hon. JOHN C. SCHAFER,  
House of Representatives, Washington, D. C.  
Re: The Allied Corporation.

MY DEAR MR. SCHAFER: Replying to your letter of January 31:

The above named, a Massachusetts corporation, located at Boston, was incorporated in Massachusetts on November 10, 1922. The corporation was licensed to transact business in Wisconsin on May 10, 1924, and the license was declared forfeited on May 1, 1925, on account of failure to file annual report.

The statement of the corporation, which was filed at the time of being licensed, gave address at 60 State Street, Boston, and named officers, as follows:

Edgar Child, president, 60 State Street, Boston, Mass.

J. E. Poland, treasurer, Quincy, Mass.

J. E. Poland, clerk, Quincy, Mass.

Martin Gilbert, director, 110 State Street, Boston.

Harold Tillson, director, 110 State Street, Boston.

The authorized capital stock was \$100,000 of 8 per cent cumulative preferred stock and 2,000 shares of common stock of no par value. The statement above mentioned showed that there was, at the time the corporation was licensed in Wisconsin, \$300 of capital stock actually paid in.

The corporation's articles of incorporation specify that the purposes are to deal in stocks, bonds, negotiable paper, etc.; to do a general investment business; deal in real estate; etc.

Yours very truly,

FRED R. ZIMMERMAN,  
Secretary of State.  
By EDWARDS W.

Mr. COOPER of Wisconsin. The gentleman referred to the letter of February 1? Does the gentleman mean this year?

Mr. SCHAFER. Yes; February 1, 1926. For the gentleman's information, I will state that I have dozens, if not hundreds, of letters which I have been collecting on this matter, but I did not want to make the RECORD any longer than was really necessary in order to set forth the facts.

I now read a letter from the Wisconsin Real Estate Brokers' Board, Madison, Wis., dated February 12, 1926:

WISCONSIN REAL ESTATE BROKERS' BOARD,  
Madison, Wis., February 12, 1926.

Hon. JOHN C. SCHAFER,  
Congress of the United States,  
House of Representatives, Washington, D. C.

DEAR SIR: Acknowledging your letter of February 10.

The record at the secretary of state's office as regards the Allied Corporation is exactly as you state in your letter. This corporation was licensed to transact business in Wisconsin on May 9, 1924, and its license was declared forfeited May 1, 1925, on account of failure to file annual report.

A corporation can not handle real estate as agent in Wisconsin without a license from the Wisconsin Real Estate Brokers' Board. This license is entirely separate from the mere formal license granted by the secretary of state permitting a foreign corporation to transact business in this State. The license from the Wisconsin Real Estate Brokers' Board is a license in the same nature as that granted to lawyers and physicians, and is a license only granted after the board has obtained satisfactory evidence that the person, individual, or corporation desiring the license is competent and trustworthy.

I might also add that the Wisconsin Real Estate Brokers' Board would not grant a license to a corporation to do a real estate business in the State of Wisconsin if such corporation did not have a license to transact business as a corporation in the State.

Hoping this is the information you desire.

Respectfully,

J. W. EVERETT,  
Assistant Secretary.

Neither Dun nor Bradstreet have any record of the financial standing of this Allied Corporation for any year since the time of its organization.

Mr. SCHNEIDER. I understand the theme of the gentleman's argument is that this corporation that bought the Government's property through the Alien Property Custodian was simply a paper organization that had no standing in Massachusetts, nor did it have a license to do business in Wisconsin; am I correct in that?

Mr. SCHAFER. Yes, sir.

Mr. LAGUARDIA. The gentleman does not mean "any standing," but that it had no corporate existence apart from its financial standing?

Mr. SCHNEIDER. Yes.

Mr. SCHAFER. And I think when I get a little further along in my statement you will appreciate more and more the real facts which I am bringing to your attention.

The public records at Milwaukee show the following facts with reference to the assessed valuation, market value of the property, dates of sale and deed, and amounts of sale:

(1) The property described by 520-522 State Street, Milwaukee, Wis., was sold and deeded to the Allied Corporation on May 23, 1924, for \$20,000, as indicated on page 67 of the Alien Property Custodian report for 1924. Of this \$20,000 only \$2,000 appears to have been all that was paid in lawful money of the United States by the corporation, the balance of \$18,000 being secured on a deferred purchase money mortgage.

On May 29, 1924, the Allied Corporation sold and deeded said property to the Standard Light Co., by warranty deed, consideration \$1 and other valuable considerations. There is a \$9.50 stamp on the public record, from which it appears that the consideration was not less than \$9,500, outside of the \$18,000 mortgage which the Standard Light Co. assumed.

Mr. SPROUL of Illinois. Will the gentleman yield?

Mr. SCHAFER. I yield.

Mr. SPROUL of Illinois. Do you know what that property was really worth?

Mr. SCHAFER. I have got it all covered here, and the gentleman will find out in just a moment how I have covered it.

On May 29, 1924, the Standard Light Co. sold and deeded this property to David Siegel by quitclaim deed, consideration \$1 and other valuable considerations. No stamp appears on this transaction.

On July 14, 1924, David Siegel and Etta Siegel, his wife, sold and deeded this property to Charles Polacheck & Bros. Co., on warranty deed for consideration of \$1 and other valuable considerations, the purchaser assuming the \$18,000 mortgage to Thomas W. Miller, then Alien Property Custodian. A \$27 stamp appears on this transaction, which shows that the consideration involved was not less than \$27,000, exclusive of the \$18,000 mortgage which Charles Polacheck & Bros. Co. assumed.

In 1924 this property was assessed as follows: Real estate, \$11,050, and the improvements \$16,000, totaling \$27,050.

It therefore appears that the price for which the property was sold by the Alien Property Custodian to the Allied Corporation on May 23, 1924, was \$7,500 less than the assessed valuation for 1924 and \$25,000 less than the sale price to Charles Polacheck & Bros. Co. on July 14, 1924, only 52 days after the date of sale by the custodian to the Allied Corporation.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. SCHAFER. Yes.

Mr. LAGUARDIA. Was the gentleman able to establish any privity between the Siegels, the lighting corporation, and the individual members of this corporation?

Mr. SCHAFER. When I came before the Congress I wanted to bring out the facts which I am now bringing here from the public records, and although I might answer your question now I will not definitely answer it until I have the prima facie evidence upon which to base the reply, but will state that there is something unsavory in Denmark.

Mr. LAGUARDIA. In Milwaukee?

Mr. SCHAFER. Second, the property described by 189-191 Hanover Street, 348-354 Florida Street, Milwaukee, Wis., sold and deeded to the Allied Corporation on May 23, 1924, for \$61,000, as indicated on page 67 of the Alien Property Custodian report for 1924. This piece of property was sold and deeded by the custodian to the Allied Corporation for \$6,100 in lawful money of the United States. The balance of \$54,900 was secured by deferred purchase money mortgage.

The Allied Corporation sold and deeded this property on May 31, 1924, eight days later, to the Eder Manufacturing Co. by warranty deed, consideration \$1 and other valuable considerations, the Eder Manufacturing Co. assuming the deferred mortgage. There is a \$30.50 stamp on this transaction, indicating \$30,500 at least was involved outside of the deferred purchase-money mortgage. This indicates a clear profit to the Allied Corporation, on an investment of \$6,100, to the amount of not less than \$24,400, eight days after the Alien Property Custodian sold and deeded this property to the Allied Corporation.

Mr. ALLGOOD. Will the gentleman yield?

Mr. SCHAFER. Yes.

Mr. ALLGOOD. The gentleman uses the word "mortgage." Is there a right to redeem or any chance for the owners to redeem?



Mr. SCHAFER. Although I am not a lawyer, I would not give 2 cents for the present title to this valuable property in Milwaukee, on account of the methods by which the present titles were obtained.

Mr. LAGUARDIA. It is the purchase-money mortgage for the lien on the property.

Mr. SCHAFER. The Eder Manufacturing Co. sold and deeded this property on June 2, 1924, by quitclaim deed, consideration \$1 and other valuable considerations, to the Morda-Risvid Investment Co., two days later than the Eder-Allied Corporation transaction. The Morda-Risvid Co. assumed the \$54,900 deferred purchase-money mortgage. A 50-cent stamp only appears on this transaction.

The Morda-Risvid Investment Co. sold and deeded this property to David Stern, by quitclaim deed, consideration \$1 and other valuable considerations, on August 27, 1924, a 50-cent stamp appearing on this transfer.

I have been informed that Morris Stern, the attorney representing the Allied Corporation in Milwaukee, is a close blood relation to David Stern, whose name appears in these transactions.

The assessed valuation on the real estate and improvements on this property for 1924 was \$60,700. The property is now in the hands of David Stern.

(3) The property described as 419 Broadway, Milwaukee, Wis., sold and deeded to the Allied Corporation on May 23, 1924, by the Alien Property Custodian for \$25,000, as indicated on page 67 of the Alien Property Custodian report for 1924. Of this \$25,000 the Allied Corporation only paid the Alien Property Custodian \$2,500 in lawful money of the United States and the balance of \$22,500 was secured by a deferred purchase-money mortgage.

The public records at Milwaukee show that the Allied Corporation sold and deeded the property to the Daniels Realty Co. on May 29, 1924, on warranty deed for \$1 and other valuable considerations. The Daniels Realty Co. assumed the deferred purchase money mortgage. There is a \$9.50 stamp on the public record, from which it appears that at least \$9,500 was involved, exclusive of the deferred purchase money mortgage, thereby showing that the Allied Corporation made a net profit of at least \$7,000 on their investment of \$2,500 in two days' time. The 1924 assessed valuation of this property, which was sold, as I have just indicated, for \$25,000 to the Allied Corporation, was \$42,000.

(4) The property described by 2115 Wells Street, 196 Twenty-second Street, Milwaukee, Wis., sold and deeded to the Allied Corporation on May 23, 1924, for \$13,000, as indicated on page 67 of the Alien Property Custodian Report for 1924.

The Allied Corporation sold and deeded this property to Jacob Marks and H. M. Seidelman by warranty deed consideration \$1 and other valuable considerations; on May 31, 1924, eight days later, a \$15.50 stamp appearing on the transaction, showing that at least \$15,500 was involved.

The assessed valuation of this property for 1924 was \$9,100. This transaction, therefore, showed that the market value of the property was not less than \$2,500 more than the sale price of the custodian to the corporation eight days previously.

(5) The property described by 2829 Highland Boulevard, Milwaukee, Wis., sold and deeded to the Allied Corporation on May 23, 1924, for \$11,000, as indicated on page 67 of the Alien Property Custodian report for 1924. The deed shows that the Allied Corporation sold and deeded said property to John Decker and Auguste Decker, his wife, on May 31, 1924, eight days later. A \$11 stamp appears on this transaction, indicating that at least \$11,000 was involved. The assessed valuation of this property for 1924 was \$10,150.

(6) The property described as 217 and 219 Twenty-second Street, Milwaukee, Wis., sold and deeded to the Allied Corporation on May 23, 1924, for \$5,000, as indicated on page 67 of the Alien Property Custodian report for 1924.

On May 31, 1924, the Allied Corporation sold and deeded said property by warranty deed, consideration \$1 and other valuable considerations, to Anna Cassel and Elizabeth Cassel, a \$6.50 stamp appearing on the transaction. It would, therefore, appear that the transaction covered at least \$6,500. The assessed valuation on this property in 1924 was \$5,800. It is, therefore, plain that the market value of this property is shown to be not less than \$1,500 more than the sale price of the custodian to the Allied Corporation eight days prior.

(7) The property described as 209-211 West Water Street, Milwaukee, Wis., sold and deeded to the Allied Corporation, for \$30,000, on August 25, 1924, as indicated on page 67 of the Alien Property Custodian Report for 1924.

This property was originally sold and deeded by the Alien Property Custodian to the Allied Corporation on May 23, 1924.

On July 15, 1924, the Allied Corporation sold and deeded this property to David Stern on warranty deed, consideration \$1 and other valuable considerations. A \$40 stamp appears on this transaction, which indicates that at least \$40,000 was involved.

On July 24, 1924, David Stern sold and deeded this property to Arthur J. Straus, on warranty deed, consideration \$1 and other valuable considerations. A \$50 stamp appears on this transaction, which shows that at least \$50,000 was involved.

I call your particular attention to this exceedingly strange procedure with reference to this piece of property.

As stated heretofore, the property was originally sold and deeded to the Allied Corporation by the custodian on May 23, 1924. It was redeeded and resold to the Allied Corporation by the custodian by supplementary deed dated August 25, 1924, for \$30,000. The Allied Corporation redeeded and resold the property to David Stern on August 26, 1924, by warranty deed, for \$1 and other valuable consideration, on which no stamp appears. David Stern then redeeded and resold this property to Arthur J. Straus by supplementary deed for \$1 and other valuable considerations, on August 29, 1924, by warranty deed, no stamp appearing thereon.

On November 26, 1924, Arthur J. Straus and Nathalia Straus, his wife, sold and deeded this property to John E. DeWolf by warranty deed, consideration \$50,000.

I wish to call your attention at this time to the fact that this property was sold and deeded by the Alien Property Custodian on May 23, 1924, to the Allied Corporation, although this property was not included in any Executive order issued by President Coolidge up to and including that date.

The public records of transactions of Milwaukee indicate that this property was resold on July 24, 1924, on the transfer from David Stern to Arthur J. Straus, and was recorded on July 25, 1924, and a \$50 stamp appeared thereon.

This indicates that the sale value of the real estate on July 24, 1925, was not less than \$50,000, only 62 days after the date of the original transfer of the property from the custodian to the Allied Corporation, \$20,000 more than was paid the custodian by the Allied Corporation.

The assessed value of this property for 1924 was \$97,000. At the time it was sold by the custodian to the Allied Corporation the purchaser assumed a lease for a term of 50 years from April 1, 1904, at an annual rental of \$1,500 for the first 5 years of said term and at an annual rental of \$1,800 for the next 10 years of said term and at an annual rental of \$2,000 for the remainder of said term.

The seven properties were sold under Executive order issued by President Coolidge, No. 4001, dated April 30, 1924, and by amendatory supplementary Executive order without number dated July 3, 1924, to the Allied Corporation for a total sum of \$165,000. The total assessed valuation for the year 1924 of these seven properties was \$251,800. The Milwaukee public records show the market value of these seven properties shortly after the date of sale by the custodian to the Allied Corporation to be not less than a total of \$245,400.

According to the Executive orders heretofore referred to the sale was authorized "in the public interest," and the Executive order gave the following reasons for the sale:

(a) An advantageous offer for the purchase of said real estate has been received by the Alien Property Custodian.

(b) An attempted sale at public auction would be a useless formality and would involve unnecessary expenses, delay, and inconvenience, which should be avoided.

Is it in the public interest and advantageous to sell property assessed at \$251,800 for \$165,000 at a private sale? I wish you would bear in mind that at the time the Executive order was issued for this alleged advantageous offer for the purchase of said real estate, the Allied Corporation, who made the offer, had only \$300 paid in, according to their corporation report filed with the secretary of state for Wisconsin.

Such a sale manifestly was not advantageous or in the interest of the Government or the alien owner. This sacrifice sale was in the interest of and advantageous to some one, and I would suggest that the following persons be subpoenaed by the investigating committee and they will, no doubt, be able to furnish the committee with information as to whose interest and advantage the sale resulted:

Col. Thomas W. Miller, former Alien Property Custodian.

C. R. Painter, chief, division of trusts, Alien Property Custodian's office.

William W. Wilson, general counsel, Alien Property Custodian's office.

Ernest L. Frisbee, attorney representing the alien.

C. Bascom Slemp, Secretary to the President at the time of the issuance of the above-described Executive orders.



Morris Stern, 71-75 Cawker Building, Milwaukee, Wis., who is the attorney representing the Allied Corporation in Wisconsin.

Edgar Child, president of the Allied Corporation, all other persons who have held office in or been directors of the Allied Corporation since its organization, and the various purchasers of this property heretofore mentioned in the public records of transfer and sale.

It appears that a false statement is given in the custodian's annual report of 1924, page 67, with reference to the date of the deed and sale being August 25, 1924, on the property described as 209-211 West Water Street. The public record shows that the deed was given by the custodian to the Allied Corporation on May 23, 1924, and was recorded July 25, 1924. Several transfers had been made on the property, which were recorded prior to August 25, 1924, the date of deed and sale reported by the custodian in said annual report, and the deed from David Stern to Arthur J. Straus, dated July 24, 1924, recorded July 25, 1924, showed not less than \$50,000 was the market value of the property.

The Executive Order No. 4001, issued by President Coolidge on April 30, 1924, did not include this property described as 209-211 West Water Street. The Executive order signed by President Coolidge July 3, 1924, amending order No. 4001 of April 30, 1924, did include the said property.

Here is conclusive evidence that the then Alien Property Custodian, without legal authority or Executive order, sold and deeded this property to the Allied Corporation for far less than the actual market value thereof on May 23, 1924, several months prior to the issuance of the Executive order authorizing such sale. Then, in order to clear the title on the said unauthorized transactions, supplementary deed, which reaffirmed the sale to the Allied Corporation for \$30,000, dated and acknowledged August 25, 1924, was made by the custodian to the corporation, notwithstanding the fact that there then appeared on the public record transactions showing several sales and deeds subsequent to the original deed, and showing that the market value on July 24, 1924, as recorded July 25, 1924, was not less than \$50,000.

Following the supplementary deed of August 25, 1924, by the custodian to the Allied Corporation, the other parties to the several transfers from the corporation issued supplementary corrective deeds.

Page 67 of the custodian's annual report also carries false information as to the property described as the Kirby House being sold and deeded for \$312,000 on May 23, 1924, to the Allied Corporation. A letter to me from the custodian dated January 25, 1926, indicates that the Kirby House was not sold by the custodian to the Allied Corporation in 1924, but that an agreement dated May 29, 1925, for the amount of \$312,000 was entered into by the custodian and the Allied Corporation. In this connection I wish to call your attention to the fact that while the former custodian, Mr. Hicks, was alive, I personally viewed an agreement entered into on May 15, 1924, by Ernest L. Frisbee, attorney for the alien owner, Thomas W. Miller, then custodian, and Edgar Child, president of the Allied Corporation, which agreement covered the sale of the Kirby House, together with certain other property. This agreement provided for a certain amount of cash paid down, and the agreement expired in 1924, the day of the month and the name of the month not being incorporated in the copy of the agreement on file in the custodian's office at that time.

The agreement of May 15, 1924, is the most remarkable document that I ever saw to be approved by an attorney representing a client and to be approved by an official of the Government acting as custodian of that client's property, especially in view of the unsound financial condition of the proposed purchaser.

The deed of this property, the Kirby House, assessed at well over \$300,000, was placed in the hands of this wildcat corporation, although the corporation was unsound, and had at that time only \$300 in stock paid in.

In view of the amounts of transactions and of the absolute sacrifice, in most of the cases way below the assessed value of the property; in view of the unsound financial standing of the Allied Corporation; in view of the actions of the parties supposed to be guardian and attorney for the aliens, as well as those advising and handling directly the approval of the transaction, there is plainly incapability, incompetence, if not collusion. It is my understanding that the chief of the trust division, C. R. Painter, has been in active charge of the custodian's part of the Allied Corporation transactions during the entire periods in which these remarkable sacrifice sales were made and negotiations carried on between the custodian's office, the Allied Corporation, and the attorney for the aliens. It further appears from the report of the Alien Property Custodian

of 1924, that Mr. C. R. Painter, then, as now, chief of the trust division, has furnished Congress with false and misleading statements with reference to the property described as the Kirby House, as well as that described as 209-211 West Water Street, Milwaukee, Wis.

I wish it clearly understood that in making these statements and introducing the resolution I do not refer to the administration of the custodian's office under the late Frederick C. Hicks, or the administration under the present custodian, Mr. Howard Sutherland. I believe that the chaotic condition in which Mr. Hicks found the custodian's office at the time he took charge to no small degree hastened his untimely death. From what I have observed, the present custodian is doing his utmost to bring order out of chaos.

I have confined myself to only a portion of the alien property located in Milwaukee. This manhandling of the administration of the alien property is not confined to Milwaukee, but reaches from California to New York. Especially in view of the fact that at the present time our Government has negotiations with Mexico with a view to protecting the rights of American nationals, I feel that this Congress should not permit foreign nations to use as a precedent the obnoxious attitude of our Government with reference to the property of nationals of other countries.

While I am absolutely in favor of returning all alien property to its owners, the first duty of the United States Government at this time should be to take prompt and vigorous action and clean house, so that when the property is returned to its alien owners the United States can point with pride to its administration. For the facts plainly show that some persons in official position deliberately deceived President Coolidge in order that they and the wildcat allied corporation might rob the owners of the property and make money for themselves. [Applause.]

Mr. SANDLIN. Mr. Chairman, I yield 30 minutes to the gentleman from Missouri [Mr. LOZIER].

Mr. LOZIER. Mr. Chairman, on December 21 the gentleman from Connecticut [Mr. TILSON] offered a resolution, which was adopted by the House, directing the Committee on Interstate and Foreign Commerce to investigate the means and methods of the control of production and exportation of crude rubber, coffee, silks, nitrates, potash, quinine, iodine, tin, sisal, quicksilver, and other important raw materials, and their effects upon the commerce of the United States both as to supply and to price, and to report to the House its findings and recommendations thereon. The chief object of this resolution was to initiate an investigation in relation to the rapid and tremendous advance in the price of crude rubber during the last 12 months. In short, this resolution proposes an investigation of the British rubber monopoly that controls the production and marketing of crude rubber and that has increased prices to an unconscionable point.

The introduction of this resolution was preceded by several pronouncements issued by our versatile Secretary of Commerce, Mr. Hoover, in which he made faces at John Bull, twisted the English lion's tail, and lambasted the subjects of Great Britain who controlled the production and marketing of crude rubber, because, forsooth, they used their power for their own selfish ends and enrichment.

For several months the public press has berated the shrewd Englishmen who have a monopoly on crude rubber and who have controlled production and manipulated the marketing of their product so as to rapidly advance prices, place their business on a firm financial basis, and yield them enormous profits. These high prices have imposed a tremendous burden on the people of the United States, who consume more than 70 per cent of the world's production of crude rubber.

It has been stated on this floor and widely advertised in the public press that by this monopoly Great Britain is attempting to extort from the American people in a few years a sum sufficient to pay the war debt of Great Britain to the United States by restricting production and exportation, thereby arbitrarily advancing to high levels the market price of this raw material which is so very essential to our business and economic life. Much has been said in the newspapers in reference to this investigation, and, of course, it is a subject in which the people of the United States are vitally interested. In the limited time at my command I desire to address myself to this subject.

Leading this crusade against the British rubber monopoly is our able and resourceful Secretary of Commerce, Mr. Hoover, who, by the way, is the champion of monopoly and the apostle of big business in the United States, but who has been in a state of constant eruption since he learned that the British as well as the Americans could organize and operate monopo-



lies and squeeze the dear public. Seemingly, Mr. Hoover has been going on the theory that big business in the United States had a monopoly on monopolies and trusts, and it harrows his esthetic and refined sensibilities to realize that the canny and far-seeing English traders have built up a gigantic British monopoly to which gigantic American monopolies are compelled to pay tribute.

So far as the records disclose, Mr. Hoover has never thrown any spasms or shed any tears over the operations of pampered American monopolies which are incubated, sheltered, and enriched by special privilege legislation and which have exploited the American people and extorted from them a tribute in amount far exceeding the enormous toll levied by the British rubber monopoly. The newspapers in bold headlines announce, "Hoover declares war in earnest on nine foreign monopolies." My colleagues, how magnificent that announcement. This d'Artagnan of the present administration, this Prince Rupert of big business buckles on his armor, seizes his broadsword, and rushes frantically into the fray, breathing out threatenings and slaughter against nine great foreign monopolies—foreign monopolies, if you please—not because they are monopolies but because they are foreign monopolies, not because they are arbitrarily manipulating markets and exploiting the people but because the profits of their exploitation goes to enrich a foreign monopoly instead of a domestic monopoly.

Mr. Hoover has been Secretary of Commerce about five years, but in that time he has never "declared war in earnest" on American monopolies that are the beneficiaries of special-privilege legislation and now firmly intrenched and buttressed in the economic life of the Nation.

This rubber investigation has called attention to an anomalous situation with reference to the present administration. With all due respect to the President and his departmental officers, and I do respect them, I believe it is generally conceded that while the present Cabinet officers are good and well-meaning men, only two of them, Secretary Mellon and Secretary Hoover, have outstanding genius. In Secretary Mellon we have not only a militant apostle of trusts and monopolies, but he is himself the greatest monopolist that ever held public office since the birth of free government. In Mr. Hoover, versatile, adroit, and sagacious, we have the greatest diplomat that ever served big business. As Marcellus was the sword of the Roman Commonwealth and Fabius its shield, so Mr. Hoover is the sword of special privilege, and Mr. Mellon its shield.

I admire the genius and resourcefulness of Mr. Hoover, but I can not accept his political philosophy, because he seemingly looks with complacency on the extortion practiced by trusts and monopolies in the United States. Apparently, as the basis of his political creed, is the good old rule—

That they should take who have the power,  
And they should keep who can.

And my good friend from Connecticut [Mr. TILSON], the majority floor leader, in a long, honorable, and I will cheerfully say, useful career as a Member of this House, has never led a crusade to curb American trusts and monopolies, many of which are domiciled in his State where the sacred doctrine of paternalism and special privilege have attained their greatest development. I am not defending the cold-blooded British monopoly, but I am amused and astounded that it should be attacked so viciously by that school of political thought that has sanctioned similar American monopolies. It does not seem consistent for those who create, defend, and perpetuate monopolies in the United States to make much fuss about monopolies abroad.

The great newspapers of the United States have for years either openly advocated or looked with equanimity on a governmental policy that inevitably incubates, nurtures, and shelters monopolies. These papers are now foaming at the mouth over this foreign rubber monopoly. These great agencies for the dissemination of information and the control of public opinion, serenely nestling in the shadow of American trusts and monopolies, now indulge the popular and agreeable practice of denouncing the English monopoly on crude rubber while maintaining a discreet silence in reference to the rapidly multiplying brood of American monopolies that arbitrarily and artificially manipulate commodity prices, thereby levying an ever-increasing tribute on the American people. These great newspapers could render a very useful public service by turning their editorial artillery on the citadels of domestic monopolies.

I am not only opposed to the British rubber monopolies, but I am opposed to all other monopolies, foreign or domestic, including the multitude of American monopolies that are the recipients of governmental favoritism and the beneficiaries of special privilege. While striking at foreign monopolies let us

reserve a few blows for our Simon-pure, dyed-in-the-wool, name-blown-in-the-bottle American brand of monopolies.

While I do not justify or approve the methods by which Great Britain and some of its dependencies and subjects are arbitrarily controlling the market price of crude rubber, thereby exacting excessive and, I may say, extortionate prices for this commodity, nevertheless the English, who control this monopoly, have done nothing more than our own people would have done if they had control of the world supply of crude rubber. Suppose conditions were reversed and the capitalists of the United States owned or controlled the millions of acres of rubber plantations now owned by the long-headed, far-seeing Englishmen; does anyone think for one moment that these American owners would not have limited production and arbitrarily controlled the output so as to advance prices and enormously increase their profits? If the shrewd Americans owned or controlled the supply of crude rubber they would do just what the English owners did do.

The practice of limiting production or marketing of a commodity so as to reduce the supply, stimulate demand, and advance market prices, if not originated in the United States, has at least been very widely and systematically followed in this country for the last half century by hundreds and thousands of American industrial and commercial concerns. Indeed, this and similar practices designed to create an artificial scarcity of a commodity has almost become the rule of trade in the United States, and thereby the masses of common people have frequently been ruthlessly exploited and compelled to pay excessive prices for their supplies.

This is a case of the American pot calling the English kettle black. The English learned from Americans how to systematically and scientifically manipulate markets and squeeze the consuming public. The Americans are past masters in the gentle and refined art of cornering markets and inflating prices, and we are acting childish and silly in jumping on the English for doing to us what we have frequently done to them and would do to them again, if we had a chance. How absurd for trust-oppressed, monopoly-ruled United States to offer to teach political morality or economic ethics to trust-abused and monopoly-ridden Great Britain. Before we can assume to teach Great Britain international trade ethics we should clean our own house, sweep before our own door, and strangle the domestic monopolies that encompass us on every hand and sap our economic life.

It does not lie in the mouth of Americans to condemn abroad what they are practicing at home. When we reform and no longer encourage and sanction monopolies it will be time enough for us to condemn others for maintaining monopolies or for unethical or questionable trade practices.

Now, the plain truth of the matter is that American manufacturers have been for the last decade engaged in a battle of wits with the English rubber plantation owners. For several years the Americans had the best of the fight and were able to buy crude rubber at prices really below the cost of production. When this condition prevailed we never heard a word from the American manufacturers of rubber products to the effect that the producers of rubber were not getting living prices or even the cost of production.

Moreover, the English rubber monopoly is no new thing. Long before rubber became an important article of commerce, far-seeing English traders obtained a monopoly on the gathering and marketing of crude rubber. This mastery of the rubber trade began when practically all the crude rubber of commerce came from the Amazon Valley and the Congo States of Africa. It was one of the incidents of Great Britain's control of the world's shipping and her mastery of the seas. The English early realized the probable importance of rubber and financed overseas trade with territories producing crude rubber. It was at a time when the world's supply of crude rubber was obtained from virgin forests in the valley of the Amazon and Congo. As the purposes for which rubber could be used increased, England continued to maintain her supremacy in and control of the rubber trade of the world.

When we consider that the people of the United States have always consumed the major part of the world's rubber supply, in view of their unlimited resources and genius for investment it is strange that American capital has not challenged the supremacy of English capital in the rubber markets of the world. Indeed there has always been the strongest reasons why the United States should control the rubber market of the world, or at least unanswerable reasons why we should not permit any other nation to arbitrarily control the production, exportation, and marketing of crude rubber. Evidently American capitalists have been "asleep at the switch" and American manufacturers of rubber products have, as yet,



taken no steps to safeguard their supply of raw material or to prevent its monopolistic control. This is a shortsighted and indefensible policy, and as a result a few British provinces practically control the world supply of crude rubber. This control enables them to reduce production, limit exportation, and, in fact, to dictate the market price of this raw material which has become an absolute necessity and essential to the business and economic life of the American people.

I can conceive of no more reckless and foolish policy than that pursued for the last 20 years by the American capitalists and manufacturers of rubber products. We have known all the time that Great Britain had a strangle hold on the world's supply of crude rubber. In this industrial and commercial age we well knew the tendency of those who had a monopolistic control over important articles of commerce to stifle competition, manipulate markets, and advance the prices to extreme limits. It was foolish for us to assume that England would not use her monopolistic control of the rubber market to squeeze us and compel us to pay extortionate prices for the raw material that she controlled and that we had to have, no matter at what price. The thing has happened that every thoughtful student of the rubber problem knew would happen just as soon as England could get in motion the machinery she had with which to squeeze us.

We are suffering that inevitable consequence of our indifference to world conditions. Everyone who has given the rubber situation any thought has known for years that the time would come sooner or later, and probably very soon, when Great Britain would "apply the screws" and cash in on her monopoly. And yet American manufacturers made no effort to avoid the catastrophe that was impending and about to fall, and when they are brought face to face with the consequences of their own folly, they seek to avoid responsibility by denouncing the owners of British rubber plantations for doing exactly what the producers of any other great commodity of commerce would do if they had the power.

The American rubber industry can not say that it was taken by surprise. The facts relating to the monopolistic control of the crude-rubber market by English plantation growers were for years well known to those engaged in the manufacture of automobile tires and other rubber products, and also well known to the general reading public, because they were extensively discussed in the newspapers and trade journals.

Official notice was taken of this situation and official warning given by President Harding, who, on February 15, 1923, transmitted a communication to the Congress asking for an appropriation of \$500,000 to cover the expenses of making a thorough investigation of the sources of crude rubber and to ascertain the possibilities of developing the rubber-plantation industry in the Philippine Islands and in South and Central America, Mexico, and other near-by regions. This presidential communication, with an estimate of the Director of the Budget as to the cost of the proposed investigation, constitutes Document No. 578 of the fourth session of the Sixty-seventh Congress. The Appropriation Committee approved the investigation and recommended an appropriation of \$500,000 to cover the expenses. Secretary Hoover, testifying before the committee, called specific attention to the fact that the world's supply of crude rubber was under the control of the British provincial governments and capitalists who had organized for the express purpose of limiting production and increasing prices. At that time crude rubber was costing the American factories about 35 cents per pound. But Secretary Hoover testified that no one could tell how high rubber would go, owing to the monopolistic control and the enormous increase in the demand.

On February 24, 1923, the distinguished gentleman from Tennessee [Mr. BYRNS], in general debate, sounded a note of warning and called this question to the attention of the House, ably reviewing the facts in relation to the British monopoly and emphasizing the importance of a thorough investigation, not only as to then existing conditions but also as to the possibility of the American people developing an ample supply of rubber in the Philippine Islands or in Latin America. On February 26, 1923, this proposal was considered as a part of the third deficiency appropriation bill for 1923 and debated by Representatives Stafford, Madden, and Byrns of Tennessee, all of whom showed that the rubber industry in America was in the power of and dominated by the British rubber interests, and all urged that something must be done to relieve the situation. The appropriation was approved by the House February 26, 1923, and by the Senate March 1 following, and two days later was approved by the President.

I have called your attention to these matters to show that the rubber industry of America had full knowledge for years of the fact that the world's supply of crude rubber was under

the monopolistic control of Great Britain, and yet, seemingly, no worth-while efforts were made to acquire supplies for future deliveries at prices which at that time were not unreasonable. On the contrary, American factories continued to buy from hand to mouth, with a view of allowing the stores or surplus stocks of rubber to increase, thereby breaking the market and forcing a reduction in prices. Theirs was a game of bluff, pure and simple. They knew they had to have rubber, yet they held off buying or bought sparingly to force a break in the market. Their plan worked well for a time, but they were playing with fire and a reaction was inevitable.

The British monopoly labored to increase prices by limiting the supply. The American rubber factories endeavored to reduce prices by limiting the demand. It was a titanic struggle, on the result of which depended profits aggregating many hundred million dollars. The British monopoly "sat tight," "stood pat," and soon had the American buyers "on the run." There was a rush by the American factories to buy crude rubber to meet the demands of their rapidly growing trade. The British Rubber Trust met the American buyers with open arms and began the squeezing process. They arbitrarily advanced the price of crude rubber by leaps and bounds. The American buyers had made a bluff and lost and were at their mercy. We had to have the British rubber and had to pay whatever price the long-headed English plantation owners demanded. The American buyers planned to tear the Rubber Trust to pieces and leisurely pick its bones. But the American rubber industry got the jolt of its life. The lamb and the lion laid down together, but, unfortunately, the American lamb was on the inside of the British lion. In short, in this great commercial battle Great Britain decisively defeated Uncle Sam.

It may not be amiss to refer briefly to the romantic history of rubber. Crude rubber is the product of a sap drawn from a tropical tree. The sap holds in suspension globules of rubber, each being surrounded by a protective envelope of a proteid substance. The coalescence of these globules is secured by the application of heat or by chemical processes. Rubber trees are indigenous to equatorial South America and grow wild in the virgin forests of the Amazon Basin. In quantity and quality the production of the hevea tree excels that of other species. Its original habitat was in the plateau regions adjacent to the valleys of the River Amazon and its tributaries. Prior to 1900 practically all crude rubber came from the primeval forests of the Amazon Basin and other equatorial regions with similar climatic conditions, Brazil furnishing the major portion of the crude rubber of commerce. The Brazilian rubber was largely the product of the two species of the hevea tree, viz, *Hevea brasiliensis* and *Hevea benthamiana*. Natives at stated intervals went through the forests "tapping" or "bleeding" the hevea trees and collecting the sap for export.

The unprecedented development of the automobile industry and the many new purposes for which rubber is being utilized created a demand for crude rubber far beyond the supply obtainable from the natural forests. This rapidly increasing demand suggested the planting, cultivation, and growing of rubber plantations.

The English, with their characteristic foresight, first realized the growing importance of the rubber industry. As far back as 1869 English botanists and officers of British East India conceived the idea of growing rubber trees extensively for the production of crude rubber in commercial quantities. Within the next few years experiments were conducted at the Royal Botanic Garden at Kew, England, with seeds of the Hevea brought from Brazil.

The experiments were at first discouraging and unsuccessful, but they were continued until 1876, when several thousand rubber seedlings were sent to Ceylon, Java, Singapore, Burma, Perak, and other parts of the Indian Archipelago. These seedlings were planted and nurtured with varying degrees of success, but with characteristic persistence, until in time groves were established that furnished cuttings sufficient to plant immense plantations.

In about 1895 the planting of rubber plantations in Ceylon, Burma, and Malayan Archipelago began on an extensive scale. The British seemed to realize the tremendous importance of the rubber industry long in advance of the Americans. Under trying conditions they resolutely began the extensive planting of groves that in time would furnish larger supplies of rubber than were then being yielded by the natural forests. And, more than that, with dogged determination they set themselves to the difficult task of building up in the British possessions and under British control an organization of rubber producers that was destined eventually to monopolize the crude-rubber supply of the world. This was no easy undertaking. The risk was hazardous. It is estimated that in the Amazon alone there are more than 300,000,000 large, vigorous, well-matured rubber-bearing



trees, and yet these farseeing Englishmen deliberately proceeded to plant and grow groves that would compete with these vast primeval forests and produce crude rubber cheaper than it could be gathered from these native groves hoary with age, and planted and nurtured by the Infinite. Rubber trees grow rapidly, and under proper care and with normal growth they may be "tapped" regularly after they are six or seven years old. As the tree matures, more and more sap can be drawn without injury.

Approximately 95 per cent of the world's supply of crude rubber comes from the cultivated plantations of the Middle East. Seventy per cent of plantation rubber is grown in British possessions, 25 per cent in the Dutch East Indies, and approximately 5 per cent in French Indo-China and elsewhere. As to acreage, 69 per cent is in British possessions—Ceylon, India, Burma, British Malaya, and British Borneo—29 per cent in Dutch—Netherlands—East India—Sumatra, Java, and Dutch Borneo—and 2 per cent in the French colony of Indo-China. However, about one-half of the acreage in Dutch East India is owned and controlled by British capital. In all, 75 per cent of the total acreage in plantation rubber is controlled by the British. There are approximately 4,296,000 acres of plantation rubber in the Middle East, of which 3,850,000 are now producing or old enough to be "tapped."

The total acreage planted in British territory is 2,961,000 acres, to which should be added 269,000 acres of British-owned plantations in Dutch territory, making an aggregate of 3,230,000 acres, or 75 per cent of the total planted area in the middle east under British control.

Citizens of the United States own plantations aggregating 15,000 acres in Malaya and 72,000 in Dutch East India, a total of 87,000 acres, about one-fortieth of the acreage controlled by Great Britain. I might add that of the total area of cultivated rubber about 1,500,000 acres are owned by Asiatic natives, nearly 1,000,000 acres of which are owned by subjects of the British Empire in Malaya, and the bulk of the remainder is owned by Dutch subjects in Netherlands, India.

To further illustrate the supremacy of Great Britain in the rubber industry of the world, I call your attention to the amount of capital invested in the production and control of crude rubber by citizens of the various nations:

Country	Capital invested	Per cent
Great Britain.....	\$505,000,000	65.7
Holland.....	130,000,000	16.9
Japan.....	42,000,000	5.5
United States.....	32,000,000	4.2
France and Belgium.....	30,000,000	3.9
Shanghai.....	14,000,000	1.8
Denmark.....	11,000,000	1.4
Miscellaneous.....	5,000,000	.6
Total.....	769,000,000	

In addition to the above the investment of the natives in rubber plantations in the middle east is approximately \$100,000,000. It will be observed that the subjects of Great Britain own about 66 per cent of all the capital—other than capital owned by natives—invested in the production of crude rubber, as compared with 4.2 per cent owned by citizens of the United States. When you add to this the capital invested by natives who are British subjects, the preponderance of British owned or controlled capital is substantially accentuated. So long as John Bull controls more than 66 per cent of the capital invested in the rubber industry, 75 per cent of the acreage, and a corresponding per cent of the production, it is not probable that the American tall will be able to wag the British dog or break the power of the British rubber monopoly. But by slowing down on making foreign loans and by investing some of our surplus capital in the production of crude rubber we can weaken and ultimately destroy British control of this commodity which is so essential to our economic life, because we consume normally about 75 per cent of the world's production of crude rubber, and only 5 per cent of our rubber products is exported.

I notice that the American automobile trade has awakened from its Rip Van Winkle sleep of indifference toward the anomalous conditions long prevailing in the crude-rubber industry. After living in a fool's paradise for years the American automobile industry has begun to realize not only the importance but the absolute necessity of having at least an active part in the control of the production of crude rubber, its most vital basic commodity. I notice that on January 12 the National Automobile Chamber of Commerce decided to challenge the control by Great Britain of the world's rubber market by engaging in the production and handling of crude

rubber. To fight this British octopus the National Automobile Chamber of Commerce proposes to organize a company with \$10,000,000 capital to produce, purchase, and deal in rubber. So far so good; but they will not get very far with \$10,000,000 capital, in view of the fact that the present capital invested in the cultivation of rubber trees amounts to \$769,000,000, only 4.2 per cent of which is American capital. This \$10,000,000 is less than one-fiftieth of the amount of British capital invested in the crude-rubber industry.

Mr. David M. Figart, special agent of the Department of Commerce, was the principal investigator of the plantation rubber industry in the Middle East in the investigation ordered by the Sixty-seventh Congress, to which I have already referred. In his report Mr. Figart says that 61 rubber-growing estates (companies), chosen indiscriminately, have a capital investment in their plantations averaging approximately \$300 per acre. But Mr. Figart says the present-day cost of planting and bringing a plantation to production would be approximately \$350 per acre. At this rate the proposed \$10,000,000 American company would be able to plant only about 29,000 acres of rubber trees. While this would be a good start, the increase in the average would be comparatively insignificant and the influence on the gross production negligible. The 29,000 acres that this \$10,000,000 would develop will be no more than a "drop in the bucket," as compared with the 3,230,000 acres of rubber plantations now owned or controlled by British subjects. In other words, the present acreage controlled by Great Britain is 111 times as much as the acreage that could be developed by the National Automobile Chamber of Commerce with its initial investment of \$10,000,000. Adding this 29,000 acres to the 87,000 acres now controlled by Americans, we would have a total of 116,000 acres of American-controlled rubber plantations, which would still be only one twenty-seventh of the acreage controlled by British subjects.

I have compiled from authentic sources some tables in relation to production of plantation rubber in the Middle East, which I am sure will be of interest to my colleagues:

*Average production per acre of plantation crude rubber in Middle East, 1919-1922*

Companies	1919	1920	1921	1922	Average for 4 years
	Pounds	Pounds	Pounds	Pounds	Pounds
12 Malaya Sterling companies..	340	375	303	284	325
27 Malaya Sterling companies..	328	366	298	272	317
19 Malaya dollar companies..	365	376	260	349	337
Sumatra companies.....	284	303	284	330	307
Java companies.....	221	235	223	274	238
Cochin China companies.....	457	557	511	557	520
South India companies.....	256	194	267	298	253
13 Ceylon companies.....	398	392	327	377	373
Average production per acre in all countries:					
1919.....	331				
1920.....		249			
1921.....			308		
1922.....				342	
Average production per acre in all countries, 1919-1922.....					332

*Average per acre cost of producing plantation crude rubber in Middle East, 1919-1922*

Companies	1919	1920	1921	1922	Average per acre for 4 years
12 Malaya Sterling companies..	\$107.34	\$122.73	\$84.44	\$60.19	\$93.67
27 Malaya Sterling companies..	98.26	110.45	76.30	54.39	84.85
19 Malaya dollar companies..	76.75	89.58	48.18	45.52	65.00
Sumatra companies.....	74.90	95.29	74.63	60.19	76.25
Java companies.....	60.24	64.26	52.02	49.17	56.42
Cochin China companies.....	88.29	80.65	65.15	47.90	70.49
South India companies.....	46.50	37.20	24.60	27.90	34.05
13 Ceylon companies.....	84.19	98.64	45.48	43.00	67.82
Average cost per acre in all countries:					
1919.....	79.55				
1920.....		87.35			
1921.....			58.85		
1922.....				48.53	
Average cost per acre in all countries, 1919-1922.....					68.56

The following table, based on the experience of 134 companies operating in the Middle East, shows the cost per pound to produce plantation rubber. It includes the experience of some companies not embraced in the foregoing tables:



Experience of 134 companies, showing cost per pound to produce plantation crude rubber in Middle East, 1919-1922

Companies	1919	1920	1921	1922	Average cost per pound for 4 years
	Cents	Cents	Cents	Cents	Cents
64 Malaya companies.....	23.61	21.72	17.12	15.17	19.40
12 Ceylon companies.....	26.26	24.73	13.84	13.42	19.56
8 Java companies.....	24.73	24.06	21.42	18.41	22.15
10 Sumatra companies.....	20.23	26.83	23.84	16.95	24.21
18 Netherlands India companies, combined.....	27.19	25.71	22.27	17.53	23.17
5 South India companies.....	29.12	25.93	16.59	14.09	26.44
3 Burma companies.....	30	25.56	19.13	16.34	22.75
12 British North Borneo companies.....	26.65	21.21	21.34	16.59	21.45
2 Dutch Borneo companies.....	38.64	25.48	23.95	19.35	27.35
Average cost per pound in all countries:					
1919.....	28.33				
1920.....		24.53			
1921.....			20.16		
1922.....				16.42	
Average cost per pound in all countries for 4-year period, 1919-1922.....					22.94

Now, this rubber proposition is by no means a one-sided question. I concede that for the past year prices have been entirely too high, as a result of monopolistic control. But for years the price of crude rubber was entirely too low to afford a profit to the producers, and often the sale price was below the cost of production. For years prior to 1924, the plantation rubber industry was in desperate straits and on the verge of bankruptcy. The growing of crude rubber from planted and cultivated plantations was and now is a hazardous enterprise. It requires immense capital. It can only be successfully grown in equatorial regions where white men can not or will not live in large numbers. The plantations are generally in malarial districts and thousands of miles from English and American civilization. Only native labor is available. Sanitary and health conditions bad, and soil none too fertile. The land must always be reclaimed from the jungles, most generally drained, cleared of tropical timber, brambles, and noxious brush and vegetation. Roads must be constructed, bridges built, settlements established, and markets obtained. It is necessary to have a large and expensive organization and an army of laborers. There is a never-ending struggle to prevent the jungle from repossessing the cleared and cultivated area. Much of the land must be terraced to prevent erosion. Often the labor must be brought from considerable distance. The enterprise involves a heavy annual expense until the trees come to the age of production, which is 6, 7, or sometimes 10 years, depending on soil, culture, and climatic conditions. Those who invest their capital in the production of rubber would not think of living on or near their plantations, which are managed by a staff of well-paid employees.

Much of the outcry against the monopolistic control of raw rubber by England comes from men, or groups of men, who have been "pinched" largely as a result of their own folly and inexcusable failure to make reasonable provision for an adequate supply of raw material. Their present diminished stocks are the inevitable consequence of their short-sighted, hand-to-mouth buying policy which they have tenaciously followed in spite of the upward movement of the market and repeated warnings from well-informed sources.

The most stupendous economic blunder of the age is the failure of the American people, rich beyond the dreams of avarice, to enter the field of rubber production or to make adequate provision in advance for a sufficient supply of raw material to meet the rapidly increasing needs of our rubber industry and allied activities.

Proud as we are of the people of the United States and of their history-making, epoch-marking accomplishments in every line of human endeavor, we are nevertheless compelled to bow our heads in humiliation and admit to the world that the English have "outsmarted" us, outplanned us, outgeneraled us, outmaneuvered us, and whipped us decisively in a trade war for the control of a raw commodity an adequate supply of which is absolutely essential to the maintenance of our greatest industry. No longer may we boast of the preeminent genius, foresight, and far-seeing vision of those who dominate the American rubber industry. In the rubber market of the world the so-called shrewd American Yankee is the source of much amusement, the target for ridicule, and, in the opinion of the rubber lords of Minsing Street, the most popular joke of modern times.

The distinguished gentleman from Tennessee [Mr. HULL], in discussing the rubber question a few days ago, stated on the floor of the House that the British Government is "laughing out aloud at us." This is true; but not only England but all the commercial world is "laughing out aloud" at the folly of the American automobile industry. They are laughing at our blindness, at our indifference to conditions that were plainly apparent to everyone. They are laughing at our simplicity, guilelessness, and commercial gullibility. They are laughing because they know they have us in their power. They realize the power they have by reason of their ownership of the world's supply of crude rubber. They know they have "squeezed" us in the past and will continue to "squeeze" us in the future as long as they see fit, and, of course, they "laugh out aloud" at our discomfiture. And, my colleagues, their laugh is heard around the world and echoes in every rubber grove from the Indian Archipelago to the far-flung plateaus and valleys of the mighty Amazon. And what humiliates me most is the fact that the English ha, ha is heard in every nook and corner of our beloved land, not only in the palaces of the rich and mighty, not only in the marts of trade and commerce, but in millions of humble homes where abide the bone and sinew of this Nation.

Of course, the English are laughing at us, for, in the language of Othello, "they laugh that win," and how can the English keep from "laughing out aloud" when they think of the net in which we are entangled and hear the rhythmical jingling of American dollars as they drop into the coffers of the English rubber growers. But, to paraphrase the language of Cicero in a letter to Atticus, this rubber problem is "no laughing matter" to the people of the United States. The laugh of the English plantation owners is heard at Detroit, Akron, and in every city where towering smokestacks belch their black vapors into hazy skies. Every balance sheet in the automobile world must be readjusted because of this gutta-percha laugh of a group of English capitalists.

Three great American industries are dependent on crude rubber—rubber manufacturing, automobile, and oil, the latter through the dependency of the automobile industry. Until recently these three industries were riding on the crest of prosperity, self-satisfied and self-confident. Anxiety has now displaced complacency. What was that "big noise" that brought confusion to these three great American industries? Was it the back-fire from a Ford engine? Was it from a blow-out of a giant-ribbed, steel-buttressed, velvet-finished automobile casing? Was it from a head-on collision of a tin Lizzie and a motor cycle? No; it was none of these too-frequent occurrences, but the "big noise" that caused the American automobile industry to sit up and take notice was only the "laugh" of a few long-headed Englishmen who, from their unpretentious quarters in Minsing Street, were celebrating their victory over the so-called wide-awake, shrewd, up-to-date, far-seeing Napoleons of the American automobile industry. Never again may we truthfully say that an Englishman can not understand, appreciate, or enjoy a joke. He comprehends this "crude-rubber joke" and is enjoying it immensely if the loudness of his laughter indicates the depths of his risibilities.

The corn-fed captains of the American rubber industry have spent hundreds of millions of dollars in building and equipping great plants for the manufacture of rubber products, but have signally failed and neglected to provide raw material with which to operate their factory. What would you think of the business capacity of men who will invest immense sums in building factories without looking out in advance for an adequate supply of raw material without which their factories could not be operated? What capitalist would build an oil refinery until he has carefully surveyed the field and either contracted for or otherwise made provision for an adequate supply of crude oil with which to operate his refinery. And what capitalist would spend millions in building a plant for the manufacture of aluminum ware without first arranging with Hon. Andrew W. Mellon for a sufficient supply of raw aluminum to keep his plant in operation? Yet that is exactly the policy pursued by the manufacturers of automobile tires and other rubber products.

The clock admonishes that the time allotted me has expired. I have not completed my discussion of this most important question. I hope I may at an early date have the privilege of discussing numerous other phases of the rubber problem, especially the operation of the Stevenson restriction upon the export of rubber from British possessions, which became operative November 1, 1922, and which, by a sliding scale based on production and prices, regulated and limited exports, and to the operation of which act the recent high prices are attributed. In the investigation of this subject I have found a wealth of information and have been fascinated by a study of the sub-

ject of rubber production and the romantic development of plantation-grown rubber in the last quarter of a century.

I desire to further discuss this question in detail, hoping that by a presentation of all the facts I may aid in awakening the American people to a realization of the fact that they are absolutely at the mercy of the British rubber monopoly, to the end that American capital, American initiative, and American genius may be utilized to provide an ample supply of crude rubber for all of our industrial needs, free from the monopolistic control of other nations. [Applause.]

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. WOOD. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. BEGG, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration H. R. 9341, the independent offices appropriation bill, and had come to no resolution thereon.

#### CENSUS OF PRISONERS

Mr. JEFFERS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing therein the recently reported census of prisoners as published by the Department of Commerce. This is information which is interesting and useful, and that is my reason for making the request.

The SPEAKER. The gentleman from Alabama asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. JEFFERS. Mr. Speaker, the latest official refutation of the charge that prohibition has failed, that drunkenness has increased, and that crimes related to drinking have gone upward is given by the preliminary report of the United States Census Bureau's count of prisoners for the year 1923. Comparing that year with 1910, a year uncomplicated with war, unusual economic conditions, or saloon restrictions, the figures in this census report show a remarkable decrease.

There were 121.2 prisoners in penal institutions January 1, 1910, for each 100,000 persons in the country. On January 1, 1923, this had dropped to 99.7, a decrease of 17.7 per cent. The number of commitments per 100,000 population showed an even greater relative decrease, falling from 521.7 per 100,000 in 1910 to 325.1 per 100,000 in 1923, a reduction of 37.7 per cent.

The decrease in drunkenness commitments is especially significant. There were 170,941 such commitments in 1910, but only 91,367 in 1923, the ratio in 1910 being 185.9 per 100,000, and in 1923, 83.1, a decrease of 55.3 per cent. Disorderly-conduct cases dropped 51.5 per cent, assault commitments 53.1 per cent, prostitution cases 28.8 per cent, and other offenses generally related to intemperance and drunkenness in equal degree.

The decrease in the number of commitments to jails and workhouses is more significant in relation to the liquor question than the decrease in the total number of commitments.

The total commitments would have been much lower if "violations of city ordinances" had not risen 67.3 per cent in the ratio per 100,000.

That drink-caused crime has greatly decreased since the eighteenth amendment closed the saloon, the most prolific source of crime and misery, is proven beyond refutation by these Government figures.

That this report may have wider circulation, I present it for publication in the CONGRESSIONAL RECORD:

DEPARTMENT OF COMMERCE,  
Washington.

#### CENSUS OF PRISONERS, 1923 (PRELIMINARY REPORT)

##### SUMMARY

This preliminary bulletin summarizes certain of the more important statistics obtained in the census of prisoners taken in 1923. Additional statistics will be presented in the complete report, now in press. The detailed statistics cover the sentenced prisoners (including those imprisoned for nonpayment of fine) who were confined in penal and reformatory institutions on January 1, 1923, and those committed or placed in confinement between January 1 and June 30, 1923. Important groups of prisoners, not included in these statistics, are as follows: (1) Military and naval prisoners; (2) insane and mentally defective prisoners in special institutions; and (3) inmates of juvenile reformatories.

The reported prison population of the United States on January 1, 1923, numbered 109,619. This number represents a decrease of 1.7 per

cent from the prison population of 111,498 on January 1, 1910. The total number of reported prisoners represented 99.7 per 100,000 general population in 1923, as against 121.2 per 100,000 in 1910, a decrease of 17.7 per cent. Detailed information was secured for only 109,075 of the prisoners present January 1, 1923. Hence the prison population statistics to be shown usually relate to this total.

There were 166,356 reported commitments of prisoners in the United States for the first six months of 1923. On the basis of this total the number of commitments for the entire year 1923 has been estimated as 357,493. (Officials of all prisons and reformatories, and of a large group of jails and workhouses (selected as representative in size and location) were asked to report the whole number of commitments during the year 1923. Reports were obtained for nearly all the prisons and reformatories; for the few not reported the commitments during the first six months were doubled. For jails and workhouses the ratios of commitments during the year to those during the first six months for institutions reported were multiplied by the total number of reported commitments during the first six months.) This represents a decrease of 25.5 per cent as compared with 479,787 commitments reported for the year 1910. The number of commitments per 100,000 population showed a still greater relative decrease—from 521.7 per 100,000 in 1910 to 325.1 per 100,000 in 1923, a reduction of 37.7 per cent.

The institutions included in the prison census are divided, for census purposes, into two main groups: (1) Federal and State prisons and reformatories, largely used for grave offenders; and (2) jails and workhouses, under which head are included all county and municipal penal institutions and certain State institutions used for prisoners convicted of misdemeanors or minor offenses. Table 1, following, compares the number and ratio to the general population of the prisoners present January 1, 1923, and 1910, and of the commitments in 1923 and 1910, with separation of the prisons and reformatories from the jails and workhouses.

From the figures in Table 1 it is seen that the population of the prisons and reformatories in the United States on January 1 was 20 per cent greater in 1923 than in 1910. The population of the jails and workhouses, on the contrary, decreased more than one-third (35.5 per cent) from 1910 to 1923. There is a still more decided contrast between the two classes of institutions as to the number of commitments, which increased 35.5 per cent for prisons and reformatories while they decreased 29.2 per cent for jails and workhouses.

The figures in the last column of Table 1 show that the number of prisoners confined in prisons and reformatories on January 1 per 100,000 of the general population increased only four-tenths of 1 per cent between 1910 and 1923. In other words, the growth in population of these institutions about kept pace with the growth of the general population. On the other hand, the ratio of prisoners present January 1 in jails and workhouses per 100,000 population showed a decrease of 46 per cent. Likewise, the ratio of commitments per 100,000 population to prisons and reformatories was greater by 13.2 per cent in 1923 than in 1910, while the commitment ratio for jails and workhouses decreased 40.8 per cent.

TABLE 1

Class of institution	Prisoners: 1923 and 1910						
	Number				Ratio per 100,000 population <sup>1</sup>		
	1923	1910	Increase (+) or decrease (-)		1923	1910	Per cent of increase (+) or decrease (-)
			Number	Per cent			
Prisoners present Jan. 1							
Total.....	109,619	111,498	-1,879	-1.7	99.7	121.2	-17.7
Prisons and reformatories.....	81,479	67,871	+13,608	+20.0	74.1	73.8	+0.4
Jails and workhouses	28,140	43,627	-15,487	-35.5	25.6	47.4	-46.0
Commitments during the year <sup>1</sup>							
Total.....	357,493	479,787	-122,294	-25.5	325.1	521.7	-37.7
Prisons and reformatories.....	37,585	27,732	+9,853	+35.5	34.2	30.2	+13.2
Jails and workhouses	319,908	452,055	-132,147	-29.2	290.9	491.5	-40.8

<sup>1</sup> Based upon estimated population Jan. 1, 1923, and enumerated population Apr. 15, 1910.

<sup>2</sup> Includes 544 in State prisons, for whom no schedules were received.

<sup>3</sup> Estimated for the last 6 months of 1923.



It must be emphasized that these statistics of sentenced prisoners are not by any means an adequate index of the number of crimes or misdemeanors actually occurring. A large proportion of lawbreakers are not apprehended. Of the persons who are arrested, only part are indicted and convicted. Finally, the statistics herein presented do not include the large number of convicted offenders who receive suspended sentences, nor the still larger number who get off with the payment of fines. Thus, the limited number who are committed to prisons or jails under sentence represent in general only a fraction of the full number of offenders.

Furthermore, the amount of crime in any State or locality is only one of many factors which combine to determine the number of offenders who are sentenced and imprisoned. The local machinery and policies of law enforcement, which also largely influence the number of prisoners, differ widely in various communities. Hence comparison of the commitment figures for States and sections of the country does not reveal the relative prevalence of crime in general, nor of specific offenses.

In comparing the statistics of prisoners, relating to various dates or periods of time, certain limitations of the figures must be taken into account. In this report, comparisons between the data for 1923 and for 1910 show important changes in the total number of prisoners and in their distribution with respect to offense, sex, age, color or race, and nativity. However, these differences do not represent merely changes in the make-up of the so-called "criminal classes," but, in addition, register the effect of changes in laws and in methods of law enforcement.

For example, during recent decades the courts have been applying the suspended sentence, or probation, to an ever-increasing share of convicted offenders, thus tending to decrease the total number of persons punished by imprisonment. Furthermore, this increased use of probation has tended to alter the distribution of prisoners as to offense, sex, age, etc., since probation is more frequently used for some groups of offenders than for others.

In order to compare the commitments in 1923 with those in earlier censuses, with respect to such items as offense, sex, age, and color, the estimated commitments during the whole year 1923 were apportioned to correspond with the distribution of the commitments as reported during the first six months.

## OFFENSE

Of outstanding interest is the distribution of prisoners according to the offense or crime of which they have been convicted. In both 1923 and 1910, as shown by Table 2, the commitments for drunkenness outnumbered those for every other offense, decreasing, however, from 170,941 in 1910 to 91,367 in 1923. Disorderly conduct ranked second in numerical importance at both censuses, but decreased from 91,847 in 1910 to 53,359 in 1923. Vagrancy, larceny, and assault, which ranked fourth, fifth, and sixth in the number of commitments in 1923, also showed considerable decreases from the 1910 figures.

TABLE 2

Offense	Commitments during the year: 1923 and 1910						
	Number		Per cent distribution		Ratio per 100,000 population		Per cent increase (+) or decrease (-)
	1923 <sup>1</sup>	1910	1923	1910	1923	1910	
Total.....	357,493	479,787	100.0	100.0	325.1	521.7	-37.7
Drunkenness.....	91,367	170,941	25.6	35.6	83.1	185.9	-55.3
Disorderly conduct.....	53,359	91,847	14.9	19.1	48.5	99.9	-51.5
Violating liquor laws.....	39,340	7,713	11.0	1.6	35.8	8.4	+326.2
Vagrancy.....	28,030	49,670	7.8	10.4	25.5	54.0	-52.8
Larceny.....	27,141	39,338	7.6	8.2	24.7	42.8	-42.3
Assault.....	12,696	22,509	3.5	4.7	11.5	24.5	-53.1
Violating traffic laws.....	11,493	(2)	3.2	(2)	10.5	(2)	(9)
Violating city ordinances.....	10,116	5,098	2.8	1.1	9.2	5.5	+67.3
Burglary.....	8,574	8,105	2.4	1.7	7.8	8.8	-11.4
Violating drug laws.....	7,103	314	2.0	0.1	6.5	0.3	+2,066.7
Carrying concealed weapons.....	5,642	6,460	1.6	1.3	5.1	7.0	-27.1
Fornication and prostitution.....	5,114	6,029	1.4	1.3	4.7	6.6	-28.8
Fraud.....	4,766	8,924	1.3	1.9	4.3	9.7	-55.7
Forgery.....	4,093	2,063	1.1	0.4	3.7	2.2	+68.2
Gambling.....	4,085	6,893	1.1	1.4	3.7	7.5	-60.7
Homicide.....	3,908	2,876	1.1	0.6	3.6	3.1	+16.1
Malicious mischief and trespassing.....	3,703	9,997	1.0	2.1	3.4	10.9	-68.8
Nonsupport and neglect of family.....	3,660	2,793	1.0	0.6	3.3	3.0	+10.0
Robbery.....	3,584	1,657	1.0	0.3	3.3	1.8	+83.3
Rape.....	2,149	1,405	0.6	0.3	2.0	1.5	+33.3

<sup>1</sup> Based upon estimated population Jan. 1, 1923, and enumerated population Apr. 15, 1910.

<sup>2</sup> Estimated for the last six months of the year.

<sup>3</sup> Not separately shown in 1910, but included under "Violating city ordinances."

TABLE 2—Continued

Offense	Commitments during the year: 1923 and 1910						
	Number		Per cent distribution		Ratio per 100,000 population		Per cent increase (+) or decrease (-)
	1923	1910	1923	1910	1923	1910	
All other classified offenses.....	17,193	24,399	4.8	5.1	15.6	26.5	-41.1
Unclassified or unknown.....	10,519	10,755	2.9	2.2	9.6	11.7	-17.9

Most persons convicted of drunkenness and other minor offenses are punished by a fine, and imprisonment only in case they fail to pay the fine. For this class of offenders, the commitment figures undoubtedly fall considerably short of the full number of convictions, since the statistics do not include the large number of convicted offenders who paid their fines and thereby avoided imprisonment. As an indication of the relative importance of the commitments due to nonpayment of fine, it should be noted that they formed exceptionally large percentages of the commitments to jails and workhouses in 1923 for the following offenses: Drunkenness (70.9 per cent), disorderly conduct (74.4 per cent), gambling (74.7 per cent), and violating city ordinances (86.5 per cent).

Violating liquor laws, of minor importance in 1910, with only 7,713 commitments, ranked third in 1923, with 39,340 commitments. There was also an extraordinary increase in the number of commitments for violating drug laws—from 314 in 1910 to 7,103 in 1923. The inauguration of the Federal prohibition and antidrug laws accounts for these increases. Another offense which showed a great increase was "violating traffic laws," for which commitments in 1910 were so few that they were not separately tabulated, while there were 11,493 commitments for this offense in 1923. "Violating city ordinances," under which heading were included any violations of traffic laws reported in 1910, showed an increase from 5,098 commitments in 1910 to 10,116 in 1923. The figures for 1923, as well as for 1910, may include a considerable number of traffic-law violators not definitely so reported.

The number of commitments for homicide (or murder) increased from 2,876 in 1910 to 3,908 in 1923. Commitments for rape increased from 1,406 in 1910 to 2,149 in 1923. The number of commitments for robbery more than doubled, increasing from 1,657 in 1910 to 3,584 in 1923. There were increases also in the number of commitments for burglary and forgery, but decreases for larceny and fraud.

The ratio of commitments per 100,000 population for 1923, as compared with 1910, increased 326.2 per cent for violating liquor laws and 2,066.7 per cent for violating drug laws. There were also decided increases in the commitment ratios for violating city ordinances (67.3 per cent), forgery (68.2 per cent), homicide (16.1 per cent), robbery (83.3 per cent), nonsupport and neglect of family (10 per cent), and rape (33.3 per cent). For all other important offenses the ratio of commitments to population decreased. The percentage decrease was especially large for malicious mischief and trespassing, fraud, drunkenness, assault, vagrancy, disorderly conduct, and gambling.

## SENTENCE

In connection with the prison census, data were collected concerning the general character and length of the sentences imposed on the reported prisoners. The total number of commitments during the year 1923 (estimated in part) was 357,493; of these, 116 were under sentence of death, as compared to 130 committed under death sentences in 1910; 131,702 had been sentenced to imprisonment only; 52,682 were sentenced to both imprisonment and fine; while 169,333 were sentenced only to fine, and were imprisoned for nonpayment of fine.

Table 3, following, shows the distribution by nature of sentence, of commitments to prisons and reformatories, and to jails and workhouses, during the first six months of 1923, and of the total commitments in 1910:

TABLE 3

Nature of sentence	Commitments: 1923 and 1910			
	Number			During the year 1910
	Jan. 1 to June 30, 1923			
	Total	Prisons and reformatories	Jails and work-houses	
Total.....	166,356	19,080	147,276	479,787
Sentenced to—				
Death.....	57	43	14	130
Imprisonment only.....	62,283	17,783	44,505	157,236
Imprisonment and fine.....	24,367	1,221	23,146	42,006
Imprisonment for nonpayment of fine.....	77,969	33	77,936	278,914
Nature of sentence unknown.....	1,685	1,685	1,685	1,591

TABLE 3—Continued

Nature of sentence	Commitments: 1923 and 1910			
	Per cent distribution			
	Jan. 1 to June 30, 1923			During the year 1910
	Total	Prisons and reformatories	Jails and work-houses	
Total.....	100.0	100.0	100.0	100.0
Sentenced to—				
Death.....	(1)	0.2	(1)	(1)
Imprisonment only.....	37.4	93.2	30.2	32.8
Imprisonment and fine.....	14.6	6.4	15.7	8.8
Imprisonment for nonpayment of fine.....	46.9	.2	52.9	58.1
Nature of sentence unknown.....	1.0	.....	1.1	.3

<sup>1</sup> Less than one-tenth of 1 per cent.

Comparing the commitments in the first six months of 1923 and during the year 1910, those sentenced to imprisonment only, who made up 32.8 per cent of the total in 1910, increased to 37.4 per cent in 1923; while those sentenced to imprisonment and fine increased from 8.8 per cent in 1910 to 14.6 per cent in 1923. On the other hand, those imprisoned for nonpayment of fine decreased from 58.1 per cent in 1910 to 46.9 per cent in 1923. These changes in the distribution of prisoners, as to kind of sentence, are closely connected with the shift in distribution by offense, described previously. For example, there is an obvious connection between the decrease in the percentage imprisoned for nonpayment of fine and the considerable reductions noted above, in the percentages of commitments for drunkenness and other minor offenses, for which an exceptionally large proportion are imprisoned for nonpayment of fine.

Aside from the general character of the sentence, it is important to consider what proportion of the prisoners were committed under indeterminate sentences. The indeterminate sentence, as it is usually applied, prescribes minimum and maximum terms. The prisoner may be confined until the end of the maximum term, or he may be paroled at any time after completing the minimum term. Most modern penologists favor the wider use of the indeterminate sentence in preference to the so-called "definite term" sentence, formerly in general use, which specified the exact term of imprisonment.

The census figures indicate that the indeterminate sentence is rapidly superseding the definite term sentence among the commitments to prisons and reformatories. For this class of institutions there were, during the first six months of 1923, 10,552 indeterminate commitments. They formed 55.4 per cent of the 19,037 commitments to imprisonment, as compared to 36.9 per cent in 1910.

## SEX

Of the prisoners present January 1, 1923, 103,883, or 95.2 per cent, were males, and only 5,192, or 4.8 per cent, were females. Among the commitments between January 1 and June 30, 1923, there were 153,016 males, or 92 per cent, while there were 13,340 females, or 8 per cent. There were 610.1 commitments of male prisoners per 100,000 male population in 1923, as against only 55.3 female commitments per 100,000 female population. Comparing the commitments per 100,000 population in 1923 and 1910, there was a relative decrease of 46.7 per cent for females, as against a reduction of 33.4 per cent for males. Additional data are given in Table 4, which shows, for the prison population and commitments in 1923 and 1910, the distribution by sex, and the decrease in number and in ratio per 100,000 population.

TABLE 4

Sex	Prisoners: 1923 and 1910						
	Number				Ratio per 100,000 population of same sex <sup>1</sup>		
	1923		1910		Decrease		
	1923	1910	Number	Per cent	1923	1910	Per cent decrease
Total.....	109,619	111,498	1,879	1.7	99.7	121.2	17.7
Male.....	103,883	105,362	1,479	1.4	192.7	222.6	13.4
Female.....	5,192	6,136	944	15.4	10.0	13.7	27.0
Total	Prisoners present Jan. 1						
	Number				Ratio per 100,000 population of same sex <sup>1</sup>		
	1923		1910		Decrease		
	1923	1910	Number	Per cent	1923	1910	Per cent decrease
Total.....	109,619	111,498	1,879	1.7	99.7	121.2	17.7
Male.....	103,883	105,362	1,479	1.4	192.7	222.6	13.4
Female.....	5,192	6,136	944	15.4	10.0	13.7	27.0
Total	Commitments during the year						
	Number				Ratio per 100,000 population of same sex <sup>1</sup>		
	1923		1910		Decrease		
	1923	1910	Number	Per cent	1923	1910	Per cent decrease
Total.....	357,493	479,787	122,294	25.5	325.1	521.7	37.7
Male.....	328,830	433,460	104,640	24.1	610.1	915.8	33.4
Female.....	28,673	46,327	17,654	38.1	55.3	105.8	46.7

<sup>1</sup> Ratios for "Total," 1923 based upon estimated population Jan. 1, 1923; other ratio based upon enumerated population Jan. 1, 1920, and Apr. 15, 1910, respectively.

<sup>2</sup> Includes 544 for whom no schedules were received, not distributed as to sex.

<sup>3</sup> Estimated for the last six months of the year.

## AGE

Most of the prisoners reported in the census belonged to the younger age groups. Thus, as shown by Table 5, 51.6 per cent of those committed during the first six months of 1923, and 64.7 per cent of the prison population of January 1, 1923, were between 18 and 34 years of age. For both groups of prisoners, those between 25 and 34 years of age formed the largest 10-year age group, with 28 per cent of the commitments and 34.2 per cent of the prison population.

TABLE 5

Age	Prisoners: 1923					
	Present Jan. 1		Commitments Jan. 1-June 30			
	Number	Per cent distribution	Total number	Per cent distribution	Male	Female
All ages.....	109,075	100.0	166,356	100.0	153,016	13,340
Under 18 years.....	2,230	2.0	3,390	2.0	2,917	473
18 to 20 years.....	11,739	10.8	14,567	8.8	12,715	1,852
21 to 24 years.....	21,489	19.7	24,666	14.8	22,087	2,579
25 to 34 years.....	37,336	34.2	46,605	28.0	42,587	4,018
35 to 44 years.....	20,537	18.8	37,510	22.5	35,150	2,360
45 to 54 years.....	9,493	8.7	20,522	12.3	19,600	922
55 to 64 years.....	3,690	3.4	7,658	4.6	7,418	240
65 years and over.....	1,284	1.2	2,285	1.4	2,206	79
Age unknown.....	1,277	1.2	9,153	5.5	8,336	817

In proportion to population, however, as shown in Table 6, there were more commitments from 21 to 24 years of age, inclusive, than in any other age group, the commitment ratio during the year 1923 for this group being 703.9 per 100,000 population. The ratio of prisoners to population was progressively lower for each older group above 24 years of age. Comparing the ratios of commitments per 100,000 population in 1923 and 1910, it appears that every age group had fewer commitments, in proportion to population, in 1923 than in 1910. The commitment ratio for those 18 to 20 years old showed the smallest relative decrease—11.1 per cent. Each successive higher-age group had a greater percentage decrease, and for those 65 years and over there was a decrease of 48.8 per cent. While the commitment ratio for those under 18 years of age was only 126.5 per 100,000, and showed the large decrease of 43 per cent for 1923, as compared to 1910, these figures give no adequate view of the number of youthful offenders, most of whom are committed to juvenile reformatories, which are not covered in this report. In fact, the large decrease noted was chiefly the result of the establishment between 1910 and 1923 of many additional juvenile institutions, with the result that in 1923 a greatly increased proportion of youthful lawbreakers was committed to the juvenile reformatories. Of the total number of juvenile offenders under 18 years of age committed, 71.9 per cent were committed to juvenile reformatories in 1923, as against 53.3 per cent in 1910. The total number of reported admissions to juvenile reformatories increased from 13,555 in 1910 to 18,640 (partly estimated) in 1923.

TABLE 6

Age	Commitments during the year: 1923 and 1910						
	Number		Per cent distribution		Per 100,000 population of same age <sup>1</sup>		
	1923	1910	1923	1910	1923	1910	Per cent decrease
All ages.....	357,493	479,787	100.0	100.0	495.8	768.0	35.4
Under 18 years.....	7,195	11,916	2.0	2.5	126.5	221.8	43.0
18 to 20 years.....	31,086	35,119	8.7	7.3	562.9	633.2	11.1
21 to 24 years.....	62,766	64,212	14.8	13.4	703.9	891.5	21.0
25 to 34 years.....	100,007	129,974	28.0	27.1	552.9	857.8	32.0
35 to 44 years.....	80,829	99,023	22.6	20.6	572.4	849.4	32.6
45 to 64 years.....	60,838	78,638	17.0	16.4	357.2	585.8	39.0
65 years and over.....	4,931	7,718	1.4	1.6	100.0	195.4	48.8
Age unknown.....	19,841	53,187	5.6	11.1	.....	.....	.....

<sup>1</sup> Based upon population 15 years of age and over, Jan. 1, 1920, and Apr. 15, 1910, respectively.

<sup>2</sup> Estimated for the last six months of the year.

<sup>3</sup> Ratios based upon population 15 to 17 years of age, inclusive.

## COLOR OR RACE AND NATIVITY

Table 7 shows the distribution by color or race, nativity, and sex, of the prisoners present January 1, 1923, and of commitments January 1 to June 30, 1923. Table 8 shows, by color or race and nativity, the number and ratio per 100,000 population of commitments during the years 1923 and 1910.



TABLE 7

Color or race and nativity	Prisoners: 1923					
	Present Jan. 1			Commitments Jan. 1-June 30		
	Total	Male	Female	Total	Male	Female
Number.....	109,075	103,883	5,192	166,356	153,016	13,340
White.....	73,549	70,421	3,128	124,172	117,454	6,718
Native.....	58,238	55,657	2,581	90,496	85,466	5,030
Foreign-born.....	15,061	14,543	518	31,054	29,516	1,538
Nativity unknown.....	250	221	29	2,622	2,472	150
Negro.....	34,178	32,149	2,029	38,821	32,422	6,399
Indian.....	413	396	17	835	763	72
Chinese and Japanese.....	268	265	3	441	437	4
Other races.....	41	41	—	54	52	2
Race unknown.....	526	511	15	2,033	1,888	145
Per cent distribution.....	100.0	100.0	100.0	100.0	100.0	100.0
White.....	67.4	67.8	60.2	74.6	73.8	50.4
Native.....	53.4	53.6	49.7	54.4	55.9	37.7
Foreign-born.....	13.8	14.0	10.0	18.7	19.3	11.5
Nativity unknown.....	0.2	0.2	0.6	1.6	1.6	1.1
Negro.....	31.3	30.9	39.1	23.3	21.2	48.0
Indian.....	0.4	0.4	0.3	0.5	0.5	0.5
Chinese and Japanese.....	0.3	0.4	0.1	0.3	0.3	( <sup>1</sup> )
Other races.....	( <sup>1</sup> )	( <sup>1</sup> )	—	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Race unknown.....	0.5	0.5	0.3	1.2	1.2	1.1

<sup>1</sup> Less than one-tenth of 1 per cent.

Of the prisoners present January 1, 1923, 58,238, or 53.4 per cent, were native whites; 15,061, or 13.8 per cent, were foreign-born whites; and 34,178, or 31.3 per cent, were negroes. Among those committed during the first six months of 1923, there were 90,496 native whites, or 54.4 per cent; 31,054 foreign-born whites, or 18.7 per cent; and 38,821 negroes, or 23.3 per cent.

TABLE 8

Color or race and nativity	Commitments during the year: 1923 and 1910				
	Number		Per 100,000 population of same color or race and nativity <sup>1</sup>		Per cent decrease
	1923 <sup>2</sup>	1910	1923	1910	
All classes.....	357,493	479,787	325.1	521.7	37.7
White.....	266,857	370,019	281.4	452.7	37.8
Native.....	194,179	243,053	239.4	355.4	32.6
Foreign-born.....	66,990	98,536	488.5	738.3	33.8
Nativity unknown.....	5,688	28,430	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Negro.....	83,309	106,170	797.1	1,080.3	26.2
Other and unknown races.....	7,237	3,598	666.9	872.1	23.5
Indian.....	1,793	—	733.5	—	—
Chinese and Japanese.....	937	—	542.7	—	—
Other races.....	115	—	1,212.1	—	—
Unknown.....	4,392	—	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )

<sup>1</sup> Ratios for "All classes," 1923, based upon estimated population Jan. 1, 1923; other ratios based upon enumerated population, Jan. 1, 1920, and Apr. 15, 1910, respectively.

<sup>2</sup> Estimated for the last six months of the year.

<sup>3</sup> Population data not available for computation of ratio.

<sup>4</sup> Not separately tabulated in the 1910 prison census.

The ratio of commitments per 100,000 population during the year 1923 was highest for Negroes—797.1 per 100,000. The Indian, Chinese, Japanese, and other colored races ranked next, with a combined ratio of 666.9 per 100,000. The ratio for foreign-born whites was 488.5 per 100,000. The native whites had the lowest ratio, 239.4 per 100,000. Thus, the foreign-born whites had a ratio more than twice as large as the ratio for the native whites. This difference is due in large part to the fact that the foreign-born population includes a much higher proportion of adult males than the native white population. If the comparison is restricted to adult males 15 years of age and over, the ratio is 878 per 100,000 for the foreign born, as compared with 703.2 per 100,000 for the native.

## COUNTRY OF BIRTH

Statistics relative to country of birth, presented in Table 9, relate only to commitments of foreign-born white prisoners during the first six months of 1923. There were 697.5 commitments per 100,000 of the general population born in Finland—a higher ratio than that for any other nationality. The Mexicans ranked second with a ratio of 612.9 commitments per 100,000 population. Natives of Ireland ranked third with 405.8 commitments per 100,000. There were also exceptionally high commitment ratios for natives of Austria, Greece, Norway, Sweden,

and Poland. At the other extreme, natives of Czechoslovakia had a commitment ratio of only 65.9 per 100,000 population, the Germans only 79.8 per 100,000, and natives of Switzerland only 87.6 per 100,000. Natives of the Netherlands, Denmark, England and Wales, and France also had exceptionally few commitments in proportion to population, with ratios less than one-half of the commitment ratio for all foreign-born white prisoners—226.5 per 100,000 population.

TABLE 9

Country of birth	Commitment of foreign-born white prisoners, Jan. 1-June 30, 1923					
	Number			Per 100,000 population <sup>1</sup>		
	Total	Male	Female	Total	Male	Female
All foreign countries.....	31,054	29,516	1,538	226.5	392.1	24.9
Northwestern Europe:						
England and Wales.....	939	855	84	106.7	185.4	20.1
Scotland.....	594	565	29	233.3	421.8	24.0
Ireland.....	4,200	3,824	385	405.8	839.4	66.2
Norway.....	1,067	1,050	17	293.2	517.9	10.6
Sweden.....	1,799	1,771	28	287.6	513.4	10.0
Denmark.....	192	185	7	101.5	162.2	9.3
Netherlands.....	133	124	9	100.9	164.2	16.0
Belgium.....	115	110	5	183.5	305.8	18.7
Switzerland.....	104	101	3	87.6	148.9	5.9
France.....	167	154	13	109.2	194.1	17.7
Germany.....	1,345	1,273	72	79.8	142.8	9.1
Central Europe:						
Poland.....	3,133	2,967	166	274.8	450.0	33.6
Czechoslovakia.....	239	224	15	65.9	119.2	3.0
Austria.....	1,829	1,751	78	317.7	541.3	30.9
Hungary.....	906	847	59	228.0	390.5	32.7
Yugoslavia.....	303	296	7	178.8	258.0	12.8
Eastern Europe:						
Russia.....	3,251	3,080	171	232.1	397.9	27.3
Lithuania.....	282	268	16	208.8	321.0	30.7
Finland.....	1,045	1,029	16	697.5	1,206.5	24.8
Rumania.....	153	149	4	148.8	256.3	9.0
Southern Europe:						
Greece.....	521	508	13	296.1	353.8	40.2
Italy.....	3,250	3,124	126	201.8	326.0	19.3
Portugal.....	92	85	7	136.4	215.9	24.9
America:						
Canada—French.....	381	358	23	123.8	226.9	15.3
Canada—Other.....	1,345	1,267	78	166.0	325.2	18.6
Mexico.....	2,932	2,844	88	612.9	1,047.3	42.5
All other countries.....	728	699	29	222.2	336.6	24.2

<sup>1</sup> Based upon foreign-born white population, as of Jan. 1, 1920, of same sex and country of birth.

## GEOGRAPHIC DISTRIBUTION

Table 10 shows, by geographic divisions, the change from 1910 to 1923 in the ratio of commitments per 100,000 population to prisons and reformatories and to jails and workhouses. Table 11 shows, by divisions and States, the number of prisoners present January 1, 1923, and the number of commitments in 1923. Table 12 shows, by divisions and States, the change in number and ratio to population of the prisoners present January 1 in all penal institutions in 1923 and 1910. Table 13 shows a similar comparison for commitments. (Population ratios in Tables 10, 12, and 13 are based upon estimated population January 1, 1923, and enumerated population April 15, 1910. The figures for commitments during the whole year 1923, in Tables 11 and 13, include estimated commitments during the last half of the year. The figures for prisoners present January 1, 1923, in Tables 11 and 12, include 544 in State prisons for whom no schedules were received.)

TABLE 10

Geographic division	Ratio of commitments per 100,000 population					
	1923		1910		Per cent of increase (+) or decrease (—)	
	Prisons and reformatories	Jails and workhouses	Prisons and reformatories	Jails and workhouses	Prisons and reformatories	Jails and workhouses
United States.....	34.2	290.9	30.2	491.5	+13.2	—40.8
New England.....	21.0	246.9	22.3	750.0	—5.8	—67.1
Middle Atlantic.....	20.5	329.0	26.6	547.8	—23.2	—39.9
East North Central.....	33.5	313.1	20.9	429.0	+60.3	—27.0
West North Central.....	31.4	209.0	22.1	415.5	+42.7	—49.7
South Atlantic.....	27.6	321.4	24.7	511.6	+11.7	—37.2
East South Central.....	32.7	173.1	46.6	382.4	—29.8	—54.7
West South Central.....	44.2	195.1	37.2	264.7	+18.8	—26.3
Mountain.....	47.3	311.3	68.8	778.4	—31.3	—60.0
Pacific.....	43.1	555.4	41.5	766.3	+4.1	—27.5
Federal prisons.....	3.4	—	1.1	—	+209.1	—

During the year 1923 the Mountain division had the highest ratio of commitments to prisons and reformatories—47.3 per 100,000 population, closely followed by the Pacific division, with a ratio of 43.1, and the West South Central division, which had 44.2 commitments per 100,000. At the other extreme the Middle Atlantic division had only 20.5 and the New England division only 21 commitments to prisons and reformatories per 100,000 population. The Pacific division had in 1923 the highest ratio of commitments to jails and workhouses—555.4 per 100,000 population. The contrasting low ratios were, for the East South Central division, only 173.1; West South Central division, only 195.1; and West North Central division, 209 commitments per 100,000 population.

Comparing the commitment ratios for 1923 and 1910, for prisons and reformatories, it appears that five of the nine divisions, as well as the Federal prisons, had higher commitment ratios in 1923 than in 1910. The East North Central division had a higher relative increase than any other division, 60.3 per cent, while at the other extreme the Mountain division had a decrease of 31.3 per cent in the prison and reformatory commitments per 100,000 population. The Federal prisons had the extraordinary increase of 209.1 per cent. (All ratios of prisoners per 100,000 population shown for the Federal prisons are based upon the total population of the United States.) The ratio of commitments to jails and workhouses per 100,000 population showed a considerable decrease for every geographic division. New England had the greatest relative decrease—67.1 per cent. The West South Central division had the smallest relative decrease—26.3 per cent, but the decreases were nearly as small for the East North Central and Pacific divisions.

It must be emphasized that these commitment ratios were largely influenced by the widely varying policies and methods of law enforcement in different sections and localities. Also, the census differed somewhat in completeness as between individual States and for particular States as between 1923 and 1910. Accordingly too great stress should not be placed upon the precise ratios nor upon the exact percentages of change for particular divisions and States.

TABLE 11.—Prisoners present January 1, 1923, and commitments during the year 1923, by divisions and States

Division and State	Prisoners present Jan. 1, 1923		Commitments			
			Jan. 1-June 30, 1923		During the year 1923	
	Prisons and reformatories	Jails and workhouses	Prisons and reformatories	Jails and workhouses	Prisons and reformatories	Jails and workhouses
United States..	81,479	28,140	19,080	147,276	37,585	819,908
Geographic divisions:						
New England..	3,527	2,421	813	8,250	1,610	18,919
Middle Atlantic..	12,526	8,180	2,508	32,998	4,747	76,228
East North Central..	15,751	5,308	3,666	32,374	7,537	70,351
West North Central..	8,566	1,698	2,042	12,623	4,024	26,799
South Atlantic..	11,382	5,919	2,074	21,684	4,010	46,748
East South Central..	8,498	1,351	1,455	7,355	2,961	15,657
West South Central..	8,379	965	2,303	10,537	4,730	20,866
Mountain..	2,933	508	854	5,436	1,681	11,061
Pacific..	5,253	1,790	1,362	16,019	2,382	33,279
Federal prisons.....	4,664		2,003		3,703	
New England:						
Maine.....	379	132	124	540	202	1,184
New Hampshire.....	138	106	13	259	35	589
Vermont.....	316	41	127	144	277	332
Massachusetts.....	1,448	1,686	357	5,076	693	11,222
Rhode Island.....	355	192	27	305	57	730
Connecticut.....	891	264	165	1,926	346	4,862
Middle Atlantic:						
New York.....	6,316	4,319	1,408	17,942	2,666	42,662
New Jersey.....	1,912	682	431	3,433	825	7,614
Pennsylvania.....	4,298	3,179	669	11,623	1,256	25,952
East North Central:						
Ohio.....	4,234	1,404	1,148	10,894	2,264	24,027
Indiana.....	2,302	609	666	3,459	1,358	6,891
Illinois.....	4,416	1,750	729	9,436	1,387	20,444
Michigan.....	3,641	1,081	894	6,754	1,996	14,439
Wisconsin.....	1,158	464	229	1,861	532	4,550
West North Central:						
Minnesota.....	1,634	577	363	3,427	659	7,422
Iowa.....	1,794	152	363	2,601	753	5,448
Missouri.....	2,205	521	475	2,747	912	5,662
North Dakota.....	244	94	62	364	136	778
South Dakota.....	326	51	102	258	185	551
Nebraska.....	789	143	170	1,712	378	4,000
Kansas.....	1,574	160	507	1,514	1,001	3,038
South Atlantic:						
Delaware.....	216	102	95	332	211	705
Maryland.....	898	968	226	4,240	373	9,387
District of Columbia.....						
Virginia.....	1,960	506	362	3,410	608	5,353
West Virginia.....	1,628	344	414	1,191	772	2,916
North Carolina.....	1,046	692	184	1,111	868	2,360

TABLE 11.—Prisoners present January 1, 1923, and commitments during the year 1923, by divisions and States—Continued

Division and State	Prisoners present Jan. 1, 1923		Commitments			
			Jan. 1-June 30, 1923		During the year 1923	
	Prisons and reformatories	Jails and workhouses	Prisons and reformatories	Jails and workhouses	Prisons and reformatories	Jails and workhouses
South Atlantic—Con.						
South Carolina.....	528	727	147	1,651	351	3,507
Georgia.....	3,738	1,884	438	5,145	876	10,930
Florida.....	1,368	223	208	2,122	451	4,477
East South Central:						
Kentucky.....	2,079	405	472	3,116	827	6,499
Tennessee.....	1,630	356	304	1,888	599	4,044
Alabama.....	3,169	402	431	1,858	1,057	4,058
Mississippi.....	1,620	188	248	493	478	1,066
West South Central:						
Arkansas.....	1,410	145	419	1,633	957	3,185
Louisiana.....	1,503	347	309	3,911	559	7,745
Oklahoma.....	1,799	158	884	1,435	1,711	2,718
Texas.....	3,577	315	691	3,558	1,503	7,218
Mountain:						
Montana.....	331	74	112	678	243	1,330
Idaho.....	284	53	64	288	119	591
Wyoming.....	335	23	55	231	125	474
Colorado.....	1,015	169	312	2,669	562	5,403
New Mexico.....	239	23	99	197	104	404
Arizona.....	355	67	111	609	207	1,250
Utah.....	200	64	72	496	186	1,018
Nevada.....	174	35	29	268	75	591
Pacific:						
Washington.....	1,010	348	382	5,361	750	10,712
Oregon.....	406	171	131	1,267	262	2,232
California.....	3,837	1,271	849	9,391	1,570	20,335

TABLE 12.—Prisoners present January 1, 1923 and 1910, and increase in number and in proportion to total population, by divisions and States

Division and State	Prisoners present Jan. 1					
	Number			Per 100,000 population		
	1923	1910	Per cent inc. (+), dec. (—)	1923	1910	Per cent inc. (+), dec. (—)
United States..	109,619	111,498	—1.7	99.7	121.2	—17.7
Geographic divisions:						
New England..	5,948	10,588	—43.8	77.6	161.6	—52.0
Middle Atlantic..	20,706	23,673	—12.5	89.4	122.6	—27.1
East North Central..	21,059	16,250	+29.6	93.7	89.0	+5.3
West North Central..	10,264	9,329	+10.0	80.0	80.2	—0.2
South Atlantic..	17,301	17,878	—3.2	118.9	146.6	—18.9
East South Central..	9,849	11,341	—13.2	108.9	134.9	—19.3
West South Central..	9,344	9,602	—2.7	87.4	109.3	—20.0
Mountain.....	3,441	4,503	—23.6	96.8	171.0	—43.4
Pacific.....	7,043	6,430	+9.5	117.5	153.4	—23.4
Federal prisons.....	4,664	1,904	+145.0	4.2	2.1	+100.0
New England:						
Maine.....	511	730	—30.0	65.9	98.3	—33.0
New Hampshire.....	244	508	—52.0	54.6	118.0	—53.7
Vermont.....	357	395	—9.6	101.3	111.0	—8.7
Massachusetts.....	3,134	6,707	—53.3	78.3	199.2	—60.7
Rhode Island.....	547	729	—25.0	87.7	134.4	—34.7
Connecticut.....	1,155	1,519	—24.0	79.0	136.3	—42.0
Middle Atlantic:						
New York.....	10,635	12,497	—14.9	98.7	137.1	—28.0
New Jersey.....	2,594	3,001	—13.6	77.5	118.3	—34.5
Pennsylvania.....	7,477	8,175	—8.5	82.7	106.7	—22.5
East North Central:						
Ohio.....	5,638	4,005	+40.8	92.9	84.0	+10.6
Indiana.....	2,911	2,870	+1.4	97.0	106.3	—8.7
Illinois.....	6,166	5,111	+20.6	91.4	90.6	+0.9
Michigan.....	4,722	2,589	+82.4	120.0	92.1	+30.3
Wisconsin.....	1,622	1,675	—3.2	59.5	71.8	—17.1
West North Central:						
Minnesota.....	2,211	1,613	+37.1	89.0	77.7	+14.5
Iowa.....	1,946	1,354	+43.7	79.1	60.9	+29.9
Missouri.....	2,725	3,523	—22.6	79.3	107.0	—25.9
North Dakota.....	338	367	—7.9	50.6	63.6	—20.4
South Dakota.....	377	279	+35.1	57.7	47.8	+20.7
Nebraska.....	932	656	+42.1	70.2	55.0	+27.6
Kansas.....	1,734	1,537	+12.8	96.7	90.9	+6.4
South Atlantic:						
Delaware.....	318	290	+9.7	138.6	143.3	—3.3
Maryland.....	1,866	2,146	—13.0	124.6	165.7	—24.8
District of Columbia.....	473	787	—39.9	100.5	237.7	—57.7
Virginia.....	2,466	3,239	—23.9	103.4	157.1	—34.2
West Virginia.....	1,972	1,475	+33.7	128.2	120.8	+6.1
North Carolina.....	1,738	1,420	+22.4	65.1	64.4	+1.1
South Carolina.....	1,255	1,691	—25.8	72.3	111.6	—35.2
Georgia.....	5,622	4,994	+12.6	188.4	191.4	—1.6
Florida.....	1,591	1,836	—13.3	153.7	243.9	—37.0



TABLE 12.—Prisoners present January 1, 1923 and 1910, and increase in number and in proportion to total population, by divisions and States—Continued

Division and State	Prisoners present Jan. 1					
	Number			Per 100,000 population		
	1923	1910	Per cent inc. (+), dec. (-)	1923	1910	Per cent inc. (+), dec. (-)
East South Central:						
Kentucky.....	2,484	2,729	-9.0	101.1	119.2	-15.2
Tennessee.....	1,986	2,642	-24.8	83.3	120.9	-31.1
Alabama.....	3,571	3,687	-3.1	148.0	172.4	-14.2
Mississippi.....	1,808	2,283	-20.8	101.0	127.0	-20.5
West South Central:						
Arkansas.....	1,555	1,307	+19.0	86.0	83.0	+3.6
Louisiana.....	1,940	2,400	-19.2	105.3	144.9	-27.3
Oklahoma.....	1,957	1,668	+17.3	91.3	100.7	-9.3
Texas.....	3,892	4,227	-7.9	79.4	108.5	-26.8
Mountain:						
Montana.....	405	963	-57.9	67.2	256.1	-73.8
Idaho.....	337	287	+17.4	72.5	88.1	-17.7
Wyoming.....	358	287	+24.7	171.0	106.6	-13.0
Colorado.....	1,184	1,230	-3.7	120.4	153.9	-21.8
New Mexico.....	262	408	-35.8	70.7	124.7	-43.3
Arizona.....	422	645	-34.6	112.8	315.6	-64.3
Utah.....	204	394	-33.0	55.8	105.5	-47.1
Nevada.....	209	289	-27.7	270.0	353.0	-23.5
Pacific:						
Washington.....	1,358	1,652	-17.8	95.4	144.7	-34.1
Oregon.....	577	623	-7.4	70.6	92.6	-23.8
California.....	5,108	4,155	+22.9	136.2	174.8	-22.1

TABLE 13.—Commitments during 1923 and 1910, and increase in number and in proportion to total population, by divisions and States

Division and State	Commitments during the year					
	Number			Per 100,000 population		
	1923	1910	Per cent inc. (+), dec. (-)	1923	1910	Per cent inc. (+), dec. (-)
United States..	357,493	479,787	-25.5	325.1	521.7	-37.7
Geographic divisions:						
New England.....	20,529	50,611	-59.4	267.9	772.4	-65.3
Middle Atlantic.....	80,975	110,965	-27.0	349.5	574.5	-39.2
East North Central.....	77,888	82,113	-5.1	346.6	449.9	-23.0
West North Central.....	30,823	50,926	-39.5	240.3	437.6	-45.1
South Atlantic.....	50,758	65,411	-22.4	349.0	536.4	-34.9
East South Central.....	18,618	36,078	-48.4	205.9	429.0	-52.0
West South Central.....	25,596	26,522	-3.5	239.4	301.9	-20.7
Mountain.....	12,742	22,310	-42.9	358.6	847.2	-57.7
Pacific.....	85,861	33,864	+15.9	598.5	807.8	-25.9
Federal prisons.....	3,703	987	+275.2	3.4	1.1	+209.1
New England:						
Maine.....	1,336	5,252	-73.6	178.6	707.5	-74.8
New Hampshire.....	624	1,501	-58.4	139.6	348.6	-60.0
Vermont.....	609	1,567	-61.1	172.8	440.2	-60.7
Massachusetts.....	11,915	31,353	-62.0	297.7	931.3	-68.0
Rhode Island.....	787	2,526	-68.8	126.2	465.5	-72.9
Connecticut.....	5,208	8,412	-38.1	356.0	754.6	-52.8
Middle Atlantic:						
New York.....	45,328	45,761	-0.9	420.6	502.1	-16.2
New Jersey.....	8,439	11,622	-27.4	252.1	458.1	-45.0
Pennsylvania.....	27,208	53,582	-49.2	300.8	699.0	-57.0
East North Central:						
Ohio.....	26,291	18,870	+39.3	433.4	395.8	+9.5
Indiana.....	8,249	13,294	-37.9	274.8	492.2	-44.2
Illinois.....	21,831	27,942	-21.9	323.6	495.5	-34.7
Michigan.....	16,435	12,359	+33.0	417.8	439.8	-5.0
Wisconsin.....	5,082	9,048	-47.3	186.5	413.4	-54.9
West North Central:						
Minnesota.....	8,081	10,356	-22.0	325.4	498.9	-34.8
Iowa.....	6,201	13,022	-52.4	252.1	585.3	-56.9
Missouri.....	6,474	15,868	-59.2	188.3	451.8	-60.9
North Dakota.....	914	942	-3.0	136.7	163.2	-16.2
South Dakota.....	786	1,596	-53.9	112.7	273.3	-58.8
Nebraska.....	4,378	5,756	-23.9	329.5	482.8	-31.8
Kansas.....	4,039	3,396	+19.3	225.2	200.2	+12.5
South Atlantic:						
Delaware.....	916	1,987	-53.9	390.3	982.1	-59.3
Maryland.....	9,760	8,922	+9.4	651.8	688.8	-5.4
District of Columbia.....	5,353	5,647	-5.2	1,137.8	1,705.7	-33.3
Virginia.....	7,721	12,430	-37.9	323.6	602.9	-46.3
West Virginia.....	3,688	6,028	-38.8	239.7	493.6	-51.4
North Carolina.....	2,723	2,709	+0.7	102.2	122.8	-16.8
South Carolina.....	3,858	5,489	-29.7	222.3	362.2	-38.6
Georgia.....	11,806	12,362	-4.5	395.6	473.8	-16.5
Florida.....	4,928	9,837	-49.9	476.1	1,307.0	-63.6
East South Central:						
Kentucky.....	7,326	13,920	-47.4	298.3	607.9	-50.9
Tennessee.....	4,643	9,922	-53.2	194.7	454.1	-57.1
Alabama.....	5,115	8,599	-40.5	212.0	402.2	-47.3
Mississippi.....	1,534	3,637	-57.8	85.7	202.4	-57.7

TABLE 13.—Commitments during 1923 and 1910, and increase in number and in proportion to total population, by divisions and States—Con.

Division and State	Commitments during the year					
	Number			Per 100,000 population		
	1923	1910	Per cent inc. (+), dec. (-)	1923	1910	Per cent inc. (+), dec. (-)
West South Central:						
Arkansas.....	4,142	4,921	-15.8	229.2	312.6	-26.7
Louisiana.....	8,304	4,739	+75.2	450.7	256.1	+57.5
Oklahoma.....	4,429	6,095	-27.3	206.7	367.8	-43.8
Texas.....	8,721	10,767	-19.0	178.0	276.3	-35.6
Mountain:						
Montana.....	1,573	4,023	-60.9	261.2	1,069.8	-75.6
Idaho.....	710	1,162	-38.9	152.3	356.9	-57.2
Wyoming.....	599	743	-19.4	286.1	509.0	-43.8
Colorado.....	5,965	4,874	+22.4	606.8	610.0	-0.5
New Mexico.....	508	1,872	-69.7	153.3	572.0	-73.2
Arizona.....	1,457	6,933	-79.0	389.3	3,392.6	-88.5
Utah.....	1,204	1,790	-32.7	254.6	479.4	-46.9
Nevada.....	666	913	-27.1	860.4	1,115.1	-22.8
Pacific:						
Washington.....	11,462	11,019	+4.0	805.5	964.9	-16.5
Oregon.....	2,494	6,431	-61.2	305.1	955.9	-68.1
California.....	21,905	16,414	+33.5	584.0	690.4	-15.4

## ADJOURNMENT

Mr. WOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 47 minutes p. m.) the House adjourned until to-morrow, Friday, February 19, 1926, at 12 o'clock noon.

## COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for February 19, 1926, as reported to the floor leader by clerks of the several committees:

## COMMITTEE ON APPROPRIATIONS

(10 a. m.)

District of Columbia appropriation bill.

## COMMITTEE ON DISTRICT OF COLUMBIA

(10.30 a. m.)

To amend the act known as the "District of Columbia traffic act, 1925," approved March 3, 1925, being Public, No. 561, Sixty-eighth Congress (H. R. 3802 and H. R. 9221).

## COMMITTEE ON FOREIGN AFFAIRS

(10.15 a. m.)

To provide for the expenditure of certain funds received from the Persian Government for the education in the United States of Persian students (H. J. Res. 111).

## COMMITTEE ON IRRIGATION AND RECLAMATION

(10 a. m.)

Adjustment of water charges on reclamation projects.

## COMMITTEE ON MERCHANT MARINE AND FISHERIES

(10.30 a. m.)

Providing for the consolidation of the functions of the Department of Commerce relating to navigation, to establish load lines for American vessels (H. R. 7245).

## COMMITTEE ON MILITARY AFFAIRS

(10.30 a. m.)

Department of national defense.

## COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

To provide for the promotion of advancement of officers who have specialized in aviation so long as to jeopardize their selection for promotion or advancement to the next higher grade or rank (H. R. 8125).

## COMMITTEE ON ROADS

(10 a. m.)

To amend an act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads and for other purposes," approved July 11, 1916, as amended and supplemented (H. R. 3823).

## COMMITTEE ON INDIAN AFFAIRS

(2 p. m.)

To authorize oil and gas mining leases upon unallotted lands within Executive-order Indian reservations (H. R. 9133).

## EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

361. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of West Pearl River, Holmes Bayou, and East Pearl River, La. and Miss.; to the Committee on Rivers and Harbors.

362. A letter from the Secretary of War, transmitting a list of leases granted by the Secretary of War during the calendar year 1925; to the Committee on Military Affairs.

363. A letter from the Secretary of the Navy, transmitting a draft of a bill "To authorize the detail of officers of the line of the Navy for aerologist duty only, to create the warrant and commissioned warrant grades of aerographer and chief aerographer, and to provide for the appointment of one aerographer per annum; to the Committee on Naval Affairs.

## REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. HUDSPETH: Committee on Irrigation and Reclamation. H. R. 3862. A bill to provide for the storage of the waters of the Pecos River; with an amendment (Rept. No. 313). Referred to the Committee of the Whole House on the state of the Union.

Mr. SMITH: Committee on Irrigation and Reclamation. H. R. 8901. A bill to grant the consent and approval of Congress to the South Platte River compact; without amendment (Rept. No. 314). Referred to the House Calendar.

Mr. MONTGOMERY: Committee on Indian Affairs. H. R. 7086. A bill providing for repairs, improvements, and new buildings at the Seneca Indian School, at Wyandotte, Okla.; with an amendment (Rept. No. 317). Referred to the Committee of the Whole House on the state of the Union.

Mr. GRAHAM: Committee on the Judiciary. H. R. 8657. A bill to amend sections 226, 227, and 228 of the Judicial Code, and for other purposes; with amendments (Rept. No. 318). Referred to the Committee of the Whole House on the state of the Union.

## REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. JAMES: Committee on Military Affairs. H. R. 4189. A bill for the relief of the Chamber of Commerce of Montgomery, Ala., Jack Thorington, and 39 others; with an amendment (Rept. No. 315). Referred to the Committee of the Whole House.

Mr. WINTER: Committee on War Claims. H. J. Res. 98. A joint resolution for the relief of R. S. Howard Co.; without amendment (Rept. No. 316). Referred to the Committee of the Whole House.

Mr. HICKEY: Committee on the Judiciary. H. R. 894. A bill granting jurisdiction to the Court of Claims of the United States; with amendments (Rept. No. 319). Referred to the Committee of the Whole House.

## ADVERSE REPORTS

Under clause 2 of Rule XIII,

Mr. GRAHAM: Committee on the Judiciary. H. Res. 133. A resolution requesting the Attorney General to furnish to the House of Representatives certain information regarding combinations in the mills and baking industries in restraint of trade (Rept. No. 312). Laid on the table.

## CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (H. R. 578) granting an increase of pension to Sarah A. Millan; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

A bill (H. R. 580) granting a pension to Quintilda Chambers; Committee on Pensions discharged, and referred to the Committee on Invalid Pensions.

## PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HULL of Tennessee: A bill (H. R. 9494) granting the consent of Congress to the Highway Department of the State of Tennessee to construct a bridge across the Cumberland River on the Gainesboro-Red Boiling Springs Road in Jackson County, Tenn.; to the Committee on Interstate and Foreign Commerce.

By Mr. ROWBOTTOM: A bill (H. R. 9495) authorizing the appropriation of \$50,000 for the establishment of a fish-hatching and fish-cultural station in the State of Indiana; to the Committee on the Merchant Marine and Fisheries.

By Mr. THOMAS: A bill (H. R. 9496) authorizing the Secretary of the Interior to convey certain lands reserved for park purposes in the town of Hennessey, Okla., to said town of Hennessey, Okla.; to the Committee on the Public Lands.

By Mrs. KAHN: A bill (H. R. 9497) to provide funds for the reimbursement of the Indians of California for lands taken from them under the 18 treaties of 1851 and 1852, and without treaty and under subsequent court decisions for which no compensation has heretofore been made; and to provide for the administration of the appropriation herein made, including the creation of a commission to have charge of said administration; to the Committee on Indian Affairs.

By Mr. GRAHAM (by request): A bill (H. R. 9498) to provide compensation for employees injured and dependents of employees killed in certain maritime employments, and providing for administration by the United States Employees' Compensation Commission; to the Committee on the Judiciary.

By Mr. WOODRUM: A bill (H. R. 9499) to establish a permanent status for the United States Army Band, and for other purposes; to the Committee on Military Affairs.

By Mr. APPLEBY: A bill (H. R. 9500) for the erection of a public building at Lakewood, N. J.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 9501) for the erection of a public building at Dunellen, N. J.; to the Committee on Public Buildings and Grounds.

By Mr. BROWNING: A bill (H. R. 9502) granting the consent of Congress to the highway department of the State of Tennessee to construct a bridge across the Tennessee River on the Linden-Lexington Road in Perry and Decatur Counties, Tenn.; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 9503) granting permission to the State highway commission of the State of Tennessee to construct a bridge across the Tennessee River at Savannah, Hardin County, Tenn., on the Savannah-Selmer Road; to the Committee on Interstate and Foreign Commerce.

By Mr. DOWELL: A bill (H. R. 9504) to amend the act entitled "An act to provide that the United States shall aid the States in the construction of rural post roads, and for other purposes," approved July 11, 1916, as amended and supplemented, and for other purposes; to the Committee on Roads.

By Mr. ESLICK: A bill (H. R. 9505) granting the consent of Congress to the highway department of the State of Tennessee to construct a bridge across the Tennessee River on the Waverly-Camden Road between Humphreys and Benton counties, Tenn.; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 9506) granting the consent of Congress to the highway department of the State of Tennessee to construct a bridge across the Tennessee River on the Linden-Lexington Road in Perry and Decatur Counties, Tenn.; to the Committee on Interstate and Foreign Commerce.

By Mr. HILL of Washington: A bill (H. R. 9507) for the adjustment of water-right charges on the Okanogan irrigation project, Washington, and for other purposes; to the Committee on Irrigation and Reclamation.

By Mr. SINNOTT (by departmental request): A bill (H. R. 9508) to authorize the issuance of deeds to certain Indians or Eskimos for tracts set apart to them in surveys of town sites in Alaska, and to provide for the survey and subdivision of such tracts and of Indian or Eskimo towns or villages; to the Committee on the Public Lands.

By Mr. SEARS of Nebraska: A bill (H. R. 9509) providing for the patenting of certain lands in Esmeralda County, Nev., and Inyo County, Calif., parts of the public domain, to the Chrysil Rubber Corporation, of Omaha, Douglas County, Nebr., under certain conditions and for the purpose of aiding the production of rubber thereon and of the rubber industry; to the Committee on the Public Lands.

By Mr. KELLY: A bill (H. R. 9510) to classify certain positions in the Railway Mail Service and sea post service, and to provide for the promotion of the employees within the grades fixed by law; to the Committee on the Post Office and Post Roads.



By Mr. KENDALL: A bill (H. R. 9511) authorizing the Postmaster General to remit or change deductions or fines imposed upon contractors for mail service; to the Committee on the Post Office and Post Roads.

By Mr. MORIN: A bill (H. R. 9512) to provide for appointing Army field clerks and field clerks, Quartermaster Corps, warrant officers, United States Army; to the Committee on Military Affairs.

Also, a bill (H. R. 9513) to amend a portion of section 15 of an act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended by the act of June 4, 1920, relating to chaplains; to the Committee on Military Affairs.

Also, a bill (H. R. 9514) to amend section 55 of the national defense act, June 3, 1916, as amended, relating to the enlisted reserve corps; to the Committee on Military Affairs.

#### PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BACHMANN: A bill (H. R. 9515) for the relief of R. P. Biddle; to the Committee on Claims.

By Mr. BOYLAN: A bill (H. R. 9516) granting a pension to Margaret E. Allen; to the Committee on Invalid Pensions.

By Mr. BULWINKLE: A bill (H. R. 9517) granting an increase of pension to Sara J. Rice; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9518) granting an increase of pension to Nancy Wild; to the Committee on Invalid Pensions.

By Mr. CONNOLLY of Pennsylvania: A bill (H. R. 9519) granting a pension to Mary Buttz; to the Committee on Invalid Pensions.

By Mr. DAVENPORT: A bill (H. R. 9520) granting an increase of pension to Ellen L. Clark; to the Committee on Invalid Pensions.

By Mr. FAUST: A bill (H. R. 9521) for the relief of A. D. McHenry; to the Committee on Claims.

Also, a bill (H. R. 9522) granting a pension to George Brill; to the Committee on Invalid Pensions.

By Mr. FREE: A bill (H. R. 9523) granting a pension to Florence J. Glover; to the Committee on Invalid Pensions.

By Mr. FREEMAN: A bill (H. R. 9524) granting pension to Lillian Bromley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9525) granting a pension to Sarah F. DuMay; to the Committee on Invalid Pensions.

By Mr. HOGG: A bill (H. R. 9526) granting an increase of pension to Lucinda A. Mosher; to the Committee on Invalid Pensions.

By Mr. HUDSPETH: A bill (H. R. 9527) granting a pension to Florence M. Conner; to the Committee on Pensions.

Also, a bill (H. R. 9528) for the relief of the heirs of Crescencio Roybal; to the Committee on Claims.

By Mr. JACOBSTEIN: A bill (H. R. 9529) for the relief of Thomas Conlon; to the Committee on Military Affairs.

Also, a bill (H. R. 9530) granting an increase of pension to Annie H. Bills; to the Committee on Invalid Pensions.

By Mrs. KAHN: A bill (H. R. 9531) granting an increase of pension to Clara L. Conklin; to the Committee on Pensions.

By Mr. KEARNS: A bill (H. R. 9532) granting an increase of pension to Missouri A. Stine; to the Committee on Invalid Pensions.

By Mr. KERR: A bill (H. R. 9533) to allow the distinguished-service medal for service in the World War to be awarded Capt. Kenneth C. Towe; to the Committee on Military Affairs.

By Mr. KOPP: A bill (H. R. 9534) granting an increase of pension to Susan J. Conner; to the Committee on Invalid Pensions.

By Mr. KVALE: A bill (H. R. 9535) granting an increase of pension to Francis Shetals; to the Committee on Pensions.

By Mr. MOORE of Kentucky: A bill (H. R. 9536) granting an increase of pension to Martha F. Vanzant; to the Committee on Invalid Pensions.

By Mr. MORGAN: A bill (H. R. 9537) granting an increase of pension to Emma Davis; to the Committee on Invalid Pensions.

By Mr. NEWTON of Missouri: A bill (H. R. 9538) for the relief of Walter E. Holden; to the Committee on Claims.

By Mr. ROWBOTTOM: A bill (H. R. 9539) granting an increase of pension to Ollie Norris; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9540) granting an increase of pension to Matilda A. Jackson; to the Committee on Invalid Pensions.

By Mr. STRONG of Kansas: A bill (H. R. 9541) granting a pension to Mary Phillips; to the Committee on Invalid Pensions.

By Mr. STROTHER: A bill (H. R. 9542) granting an increase of pension to Lucy W. Slaughter; to the Committee on Pensions.

Also, a bill (H. R. 9543) granting an increase of pension to Caroline Pasley; to the Committee on Pensions.

By Mr. UPDIKE: A bill (H. R. 9544) granting a pension to Thomas Miller, alias James W. Huston; to the Committee on Pensions.

Also, a bill (H. R. 9545) granting a pension to James E. Allen; to the Committee on Pensions.

Also, a bill (H. R. 9546) granting an increase of pension to Jesse W. Winningham; to the Committee on Pensions.

Also, a bill (H. R. 9547) granting an increase of pension to Mary A. Miller; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9548) granting an increase of pension to Anna M. Mucho; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9549) granting an honorable discharge to Hugo Hutzler; to the Committee on Military Affairs.

Also, a bill (H. R. 9550) granting an honorable discharge to Augustus H. Ryman; to the Committee on Military Affairs.

Also, a bill (H. R. 9551) granting an increase of pension to Louisa C. Hawkins; to the Committee on Invalid Pensions.

Also, a bill (H. R. 9552) granting an increase of pension to Louis Boeglin; to the Committee on Pensions.

Also, a bill (H. R. 9553) granting an increase of pension to Burton C. Parker; to the Committee on Pensions.

Also, a bill (H. R. 9554) granting an increase of pension to Mary Morgan; to the Committee on Invalid Pensions.

By Mr. VAILE: A bill (H. R. 9555) granting a pension to James H. Harris; to the Committee on Pensions.

By Mr. WELSH: A bill (H. R. 9556) granting a pension to Eugene Promie; to the Committee on Invalid Pensions.

By Mr. WOODRUM: A bill (H. R. 9557) granting a pension to Rupert C. Richards; to the Committee on Pensions.

#### PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

728. By Mr. CULLEN: Resolution adopted by the Brooklyn Bar Association, strongly indorsing the measure seeking to increase the salaries of the Federal judges; to the Committee on the Judiciary.

729. By Mr. GALLIVAN: Petition of Patrick E. Kelleher, 6 Wrentham Street, Dorchester, Mass., recommending early and favorable consideration of legislation to increase the pensions of veterans of the Spanish-American War; to the Committee on Pensions.

730. By Mr. GARBER: Statement of the officials of the Choctaw and Chickasaw Nations, in re dam across the Poteau River in Oklahoma; to the Committee on Indian Affairs.

731. By Mr. O'CONNELL of New York: Petition of Samuel Greenbaum, counsel for the firm of Greenbaum, Wolff & Ernst, of New York City, favoring the passage of House bill 7907, for the increase of salaries of the Federal judiciary; to the Committee on the Judiciary.

732. Also, petition of Roy D. Chapin, vice president National Automobile Chamber of Commerce of New York City, favoring the passage of House bill 6771, for purchase of buildings in foreign countries for our Diplomatic and Consular Services; to the Committee on Foreign Affairs.

733. By Mr. PATTERSON: Resolution of the New Jersey State League of Municipalities, Trenton, N. J., favoring active control of interstate bus lines; to the Committee on Interstate and Foreign Commerce.

734. Also, resolutions of the Polish American Citizen Club, Elizabeth, N. J., favoring amendment to immigration law to admit wives and children of declarants into United States beyond quota; to the Committee on Immigration and Naturalization.

735. By Mr. PEAVEY: Petitions in the form of resolutions passed by the County Board of Polk County, Wis.; the County Board of Price County, Wis.; the County Board of Sawyer County, Wis.; the County Board of Ashland County, Wis.; and the County Board of Lincoln County, Wis., protesting against repeal of the Federal aid law for public roads or the reduction of the amount appropriated under the said law; also petition in the nature of a letter signed by Mr. R. O. Bretting, chairman of the Ashland County Board of Wisconsin, protesting against any revision of the Federal aid law; to the Committee on Roads.